



8 September 2014

Dear Investor

**Subject: Strategic Finance Limited (In Receivership and In Liquidation)  
("SFL")  
Strategic Nominees Limited (In Receivership)  
Strategic Nominees Australia Limited (In Receivership)  
Strategic Advisory Limited (In Receivership)  
Strategic Mortgages Limited (In Receivership)  
(Collectively, "Strategic")**

## **1. Introduction**

We refer to our last update to secured debenture investors dated 27 June 2014. We take this opportunity to provide you with a further update on the progress of the receiverships.

This report is subject to the restrictions set out at Appendix I.

## **2. Legal claims against third parties**

### *Directors and Auditors*

The settlement agreement became unconditional on 8 August 2014 with the first two instalments made as due. A final instalment is due in November 2014.

## **3. Revised overall expected return to secured debenture investors**

With the settlement agreement proceeding as expected, we now expect the range of recoveries to be between 17% - 21% of the principal amount outstanding as at the date of receivership.

A distribution of 2.7 cents in the dollar was paid to secured debenture investors on 2 September 2014 with a further distribution of 1.3 cents in the dollar to be paid to secured debenture investors today. This brings total distributions to 14%.

A further distribution is expected to be made prior to the end of the year.

We will continue to refine and update the estimated recovery range in future reporting.

## **4. Concluding comments**

Work continues on realising the remaining loan book assets to enable further distributions and the conclusion of the receivership.



Should investors or other stakeholders have any queries arising from this report, please contact us in writing via our website, facsimile, or postal address, as follows:

**Strategic Finance Limited (In Receivership and In Liquidation)**  
**PricewaterhouseCoopers**  
**PO Box 243**  
**Wellington**  
**Facsimile: +64 4 462 7492**  
**Website: [www.pwc.com/nz/strategicfinance](http://www.pwc.com/nz/strategicfinance)**

Yours faithfully

A handwritten signature in black ink, appearing to read 'John Fisk', with a long, sweeping horizontal stroke extending to the right.

John Fisk  
Receiver



## Appendix I

### Restrictions

- The statements and opinions expressed herein have been made in good faith, and on the basis that all information relied upon is true and accurate in all material respects, and not misleading by reason of omission or otherwise.
- We have not independently verified the accuracy of information provided to us, and have not conducted any form of audit in respect of Strategic. Accordingly, we express no opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we have relied. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever arising from this report.
- The statements and opinions expressed in this report are based on information available as at the date of the report.
- We reserve the right, but will be under no obligation, to review or amend our report, if any additional information, which was in existence on the date of this report was not brought to our attention, or subsequently comes to light.
- We have relied on forecasts and assumptions about future events which, by their nature, are not able to be independently verified. Inevitably, some assumptions may not materialise and unanticipated events and circumstances are likely to occur. Therefore, actual results in the future will vary from the forecasts upon which we have relied. These variations may be material.