

16 July 2018

Dear Note Holder

**Gippsland Secured Investments Limited
(Receiver and Manager Appointed)
(In Liquidation)
ACN 004 860 057
("GSI")**

I refer to my appointment as Receiver and Manager of GSI (**Receiver**) and to my previous correspondence and that of The Trust Company (Nominees) Ltd (**Trustee**) as trustee of the notes issued by GSI.

Please find below an update to my previous circular to investors dated 13 April 2017.

Appointment of Liquidators

On 30 June 2018 the directors of GSI appointed Guy Edwards and Brendan Richards from KPMG as Joint and Several Liquidators who will be responsible for undertaking the winding up of the GSI entity. This appointment is a step towards finalising all matters relating to GSI and will accelerate the finalisation of the external administration. We understand that KPMG will provide further communication to you regarding their appointment in the coming days.

Next Distribution

On 13 April 2017, I made a seventh distribution in the GSI Receivership of 0.75 cents in the dollar of principal balances. The funds for this distribution were primarily sourced from recoveries in the Lehman Brothers Australia liquidation. This distribution in 2017 made total returns in the Receivership **89.50 cents** in the dollar.

We expect to distribute a final dividend of **0.3 – 0.4** cents in the dollar before the end of this calendar year, however the timing is heavily dependent on the Lehman Brothers distribution which is not within our control.

Lehman Brothers Australia Liquidation

As previously identified, the source of funds for the next distribution will be from recoveries in the Lehman Brothers Australia liquidation. Whilst these matters remain outside of my control, we expect a distribution of c. \$175k to be made by the end of September.

I will provide Note Holders with a further update regarding the final distribution when additional information becomes available.

Queries

The Trustee and Receiver continue our commitment to open and transparent communications with Note Holders, and will update you again when further information arises. If you have any further queries, you can:

- ▶ Visit the GSI website: www.gsi.com.au
- ▶ Call the GSI Hotline: 1300 551 378
- ▶ Email: GSI@linkmarketservices.com.au

Additionally, for any queries relating to the liquidation of GSI, please contact:

Edwin Clark
KPMG
Tower Two Collins Square
727 Collins Street
Melbourne VIC 3008
T: (03) 9838 4357
E: eclark2@kpmg.com.au

Yours faithfully



Adam Nikitins
Receiver and Manager
Gippsland Secured Investments Limited
(Receiver and Manager Appointed)
(In Liquidation)
ACN 004 860 057