

Form 59  
Rule 29.02(1)

## Affidavit

No VID536 of 2024

Federal Court of Australia  
District Registry: Victoria  
Division: General

### AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Plaintiff

**KEYSTONE ASSET MANAGEMENT LTD (RECEIVERS AND MANAGERS APPOINTED)  
(IN LIQUIDATION) (ACN 612 443 008) and another**

Defendants

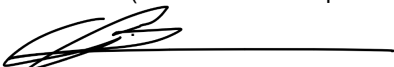

Affidavit of: **Jason Mark Tracy**  
Address: Level 25, 20 Bond Street, Sydney NSW 2000  
Occupation: Registered Liquidator  
Date: 8 December 2025

I, **JASON MARK TRACY**, of Level 25, 20 Bond Street, Sydney, registered liquidator, affirm:

#### A INTRODUCTION

- 1 I am a chartered accountant, registered liquidator and a managing director of Alvarez & Marsal (**A&M**). Prior to 2 April 2025, I was a partner of Deloitte SRT Pty Ltd, formerly known as Deloitte Financial Advisory Pty Ltd (**Deloitte**).
- 2 I make this affidavit in support of a proposed amended interlocutory process (**Amended IP**), amending an interlocutory process filed on 7 November 2025 (**Initial IP**).
- 3 I have affirmed thirteen other affidavits in this proceeding. I seek leave to refer to my earlier affidavits, including my twelfth affidavit affirmed on 11 November 2025 in support of the Initial IP (**Twelfth Affidavit**). I adopt the definitions in my Twelfth Affidavit.

Filed on behalf of (name & role of party)	Jason Tracy and Glen Kanevsky, court-appointed receivers and managers, liquidators		
Prepared by (name of person/lawyer)	Kim MacKay and Natasha Toholka		
Law firm (if applicable)	Norton Rose Fulbright Australia		
Tel	(03) 8686 6065; (03) 8686 6970	Fax	(03) 8686 6505
Email	kim.mackay@nortonrosefulbright.com; natasha.toholka@nortonrosefulbright.com		
<b>Address for service</b> (include state and postcode)	Norton Rose Fulbright Australia Level 38, Olderfleet, 477 Collins Street, Melbourne VIC 3000		

4 Except where expressly stated, I make this affidavit from my own knowledge, including  
based on my review of the books and records of Keystone. Where I depose to matters  
on the basis of information and belief, I believe those matters to be true.

5 In making this affidavit I do not intend to waive any privilege. To the extent that any part  
of this affidavit constitutes a waiver of privilege, I withdraw that part of the affidavit and  
we do not rely on it.

6 Produced and shown to me at the time of affirming this affidavit are a bundle of  
documents which I refer to in this affidavit marked "**JMT-17**".

**B Reasons for seeking to sell all the Bell Potter Securities**

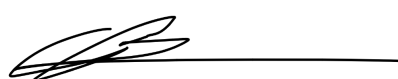
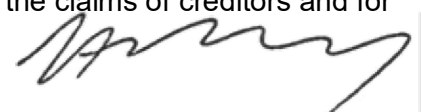
7 Since the Initial IP, the Receivers have formed the view that they should sell all of the  
Bell Potter Securities as soon as is practicable, and invest the proceeds in interest-  
bearing accounts.

8 The reasons for the Receivers' view are as follows:

- (a) the Bell Potter Securities comprise a diversified portfolio of exchange traded  
funds, securities in listed investment companies and other securities. As such,  
the Bell Potter Securities are exposed to market risk and their value will fluctuate  
based on the performance of the constituent securities;
- (b) as stated at paragraph 12 of my Twelfth Affidavit, the Receivers understand that  
many of the underlying investors in the SMF have invested high proportions of  
their total superannuation in the SMF. For this reason, I am concerned to ensure  
that the SMF's property is not exposed to market risk;
- (c) the solicitors for BSCL and MFL and for ETSL have written to our solicitors,  
NRFA, requesting that the Receivers liquidate all of the Bell Potter Securities as  
soon as possible to end the exposure to market risk. Where BSCL and ETSL, as  
unitholders, own approximately 97% of the units in Classes of the SMF that hold  
Bell Potter Securities (based on the table at paragraph 27 of the Twelfth  
Affidavit), I consider it appropriate to give significant weight to their views;

Copies of letters from Allens and Quinn Emmanuel are at pages 7 to 9 of  
**JMT-17**,

- (d) as described in my Twelfth Affidavit, before making the proposed interim  
distribution, the Receivers are undertaking a process of estimating the amount of  
the SMF's property that they should retain to meet the claims of creditors and for

the costs of the receivership or liquidation of Keystone. As the Bell Potter Securities are the SMF's most significant asset, the Receivers will have significantly greater comfort that the amounts retained will remain adequate to meet the estimated claims on the SMF's property if the Bell Potter Securities are converted to cash rather than remaining exposed to market risk.

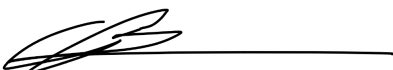
- 9 In light of these matters, the Receivers wish, subject to obtaining directions and judicial advice, to sell the Bell Potter Securities as soon as practicable, and before the balance of the Amended IP is determined.

**C Intention to sell the Bell Potter Securities to remove downside market risk**

- 10 The SMF's investment in the Bell Potter Securities has performed well in the period that we have been appointed to Keystone. As of 31 May 2024, the value of the Bell Potter Securities was \$174,678,682. As of 31 October 2025, the value was \$196,843,032. The sale of the Bell Potter Securities now will crystallise these gains for the benefit of investors in the SMF. The SMF has also received significant income in the form of dividends and distributions from the Bell Potter Securities. A summary of the distributions received between 28 August 2024 and 31 October 2025 is provided below:

<b>SMF investment class</b>	<b>Income received from Bell Potter Securities (\$)</b>
Conservative	1,194,007.56
Balanced	2,495,152.55
Growth	4,285,375.18
High Growth	492,206.67
<b>Total</b>	<b>8,466,741.96</b>

- 10 Our staff have contacted five banks to enquire regarding interest payable on at call, one and three month term deposit accounts. If Keystone sold the Bell Potter Securities and placed the proceeds in either at call or term deposit bank accounts with an investment term of up to three months, the interest payable would likely be in vicinity of 3 - 4% p.a. In circumstances where the proceeds of the Bell Potter Securities would be distributed across at least four bank accounts for the SMF's four relevant investment classes, the interest rates on at call accounts may be better or substantially the same as one to three month term deposit accounts.



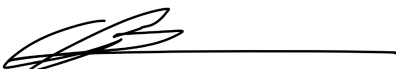

- 11 We are aware of opinions that markets are currently trading at or near record highs and the near-term risk is to the downside. For example, in the letter from Bell Potter to NRF dated 19 August 2025 at **Tab-5 of Confidential JMT-15**.
- 12 However, we are aware that markets are inherently unpredictable and there will be a range of positive and negative opinions regarding the market's outlook. For this reason, seeking further advice as to the merits of selling the Bell Potter Securities would not alter our reasons for our view that Keystone should sell the Bell Potter Securities to remove downside market risk.
- 13 In selling the Bell Potter Securities, the Receivers would follow the advice of Bell Potter Securities as to the manner of the sale in accordance with paragraphs 53 to 55 of my Twelfth Affidavit.

**D Possibility of criticism of Receivers**

- 14 We seek judicial advice in relation to the sale of the Bell Potter Securities in light of the possibility that the Receivers could be criticised or alleged to have acted improperly or unreasonably, for example, by:
- (a) selling all of the Bell Potter Securities as soon as practicable, thus ending any upside associated with retaining them; or
  - (b) not obtaining further advice in relation to the market outlook prior to deciding to sell all of the Bell Potter Securities.

**E Notice of the Amended IP**

- 15 In addition to the parties to the proceeding, the Receivers intend to give notice of the proposed Amended IP and this affidavit to all unitholders in the SMF Classes that hold Bell Potter Securities, being BSCL, ETSL, TTCL and HCNL. We will also make the proposed Amended IP and this affidavit available on A&M's website for Keystone (and once leave is obtained to file the proposed Amended IP, the filed Amended IP).



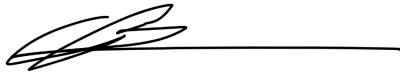
- 16 We do not consider that it is necessary to otherwise notify other unitholders and creditors already notified of the Initial IP in accordance with paragraph 118 and 119 of the Twelfth Affidavit of the Amended IP, as those persons have a less material and direct interest in the value of the SMF's property.

Affirmed by JASON MARK TRACY  
at Sydney  
in the State of New South Wales  
on 8 December 2025  
Before me:

)  
)  
)  
)  
)



Signature of deponent



Signature of witness

Charlotte Rose Batten  
Level 38, Olderfleet, 477 Collins Street  
Melbourne Victoria 3000  
An Australian Legal Practitioner within the meaning of the Legal Profession Uniform Law (Victoria)

In accordance with section 27(1A) of the *Oaths and Affirmations Act 2018* (Vic), this affidavit was signed and sworn by the deponent by audio-visual link, and the authorised affidavit taker has used a scanned or electronic copy of the affidavit and not the original in completing the jurat requirements.

## **Certificate identifying annexure**

No VID536 of 2024

Federal Court of Australia

District Registry: Victoria

Division: General

### **AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION**

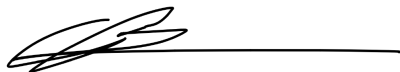
Plaintiff

**KEYSTONE ASSET MANAGEMENT LTD (RECEIVERS AND MANAGERS APPOINTED)  
(ADMINISTRATORS APPOINTED) (ACN 612 443 008) and another**

Defendants

### **ANNEXURE "JMT-17"**

This is the annexure marked "JMT-17" now produced and shown to Jason Mark Tracy at the time of affirming his affidavit on 8 December 2025.



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Charlotte Rose Batten  
An Australian Legal Practitioner within the  
meaning of the Legal Profession Uniform  
Law 2014 (Victoria)

**Allens**

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5 December 2025

Natasha Toholka, Kim MacKay and Thomas Kelly  
Norton Rose Fulbright Australia  
Level 38, Olderfleet  
477 Collins Street  
Melbourne VIC 3000

Dear Colleagues

**ASIC v Keystone Asset Management Limited (receivers and managers appt) (in liq)  
(Keystone) Federal Court of Australia proceeding VID536 of 2024 (Proceeding)**

- 1 We refer to your email of 2 December 2025 and the letter attached to that email, and to the Application filed in the Proceeding on 7 November 2025. We adopt the definitions in our previous correspondence and in the Application.
- 2 As conveyed in our letters of 22 October 2025 and 17 November 2025, our clients are supportive of the Interim Distribution proposed in the Application and their position is that the distribution should be made without further delay.
- 3 In that context, our clients support the proposal for your clients to seek orders from the Court permitting them to liquidate the Bell Potter Securities as soon as possible, for the following reasons:
  - (a) to minimise the risk that the value of the Bell Potter Securities is reduced prior to the Interim Distribution by adverse movements in the markets for the listed equities that comprise the Bell Potter Securities – our clients consider that they are entitled to ultimately have a large proportion of the Bell Potter Securities distributed to them as the majority unit holders in the Shield Master Fund and wish to mitigate their significant exposure to any adverse market movements. They want to mitigate that risk as quickly as possible and in any event before the end of the calendar year; and
  - (b) if the Court grants the relief sought in the Application, to facilitate the making of the Interim Distribution to Unitholders as soon as possible after that relief is granted.

Yours sincerely

**James Campbell**

Partner

Allens

James.Campbell@allens.com.au

T +61 2 9230 4751

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**From:** Asia Lenard <asialenard@quinnemanuel.com>  
**Sent:** Tuesday, 2 December 2025 2:33 PM  
**To:** Thomas Kelly  
**Cc:** Charlotte Batten; Natasha Toholka; Kim MacKay  
**Subject:** RE: Interim distribution application - VID536/2024 ASIC v KEYSTONE ASSET MANAGEMENT LIMITED (RECEIVERS AND MANAGERS APPTD) (IN LIQ) [NRF-APAC.1077791.4072730.FID3455425]



Dear Thomas,

Thank you, our client confirms that it wishes for the liquidator to liquidate all of the Bell Potter Securities as soon as possible in order to protect against market movement and facilitate the prompt payment of an interim distribution to unit holders.

Kind regards  
Asia

Asia Lenard | **Of Counsel**

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[www.quinnemanuel.com](http://www.quinnemanuel.com)

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**From:** Thomas Kelly <thomas.kelly@nortonrosefulbright.com>  
**Sent:** Tuesday, December 2, 2025 12:25 PM  
**To:** Asia Lenard <asialenard@quinnemanuel.com>  
**Cc:** Charlotte Batten <charlotte.batten@nortonrosefulbright.com>; Natasha Toholka <natasha.toholka@nortonrosefulbright.com>; Kim MacKay <kim.mackay@nortonrosefulbright.com>  
**Subject:** Interim distribution application - VID536/2024 ASIC v KEYSTONE ASSET MANAGEMENT LIMITED (RECEIVERS AND MANAGERS APPTD) (IN LIQ) [NRF-APAC.1077791.4072730.FID3455425]

[EXTERNAL EMAIL from [thomas.kelly@nortonrosefulbright.com](mailto:thomas.kelly@nortonrosefulbright.com)]

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Dear Asia

Please see the attached letter.

As discussed on yesterday's call, please send us a short communication on behalf of your client confirming that they wish for our clients to liquidate all of the Bell Potter securities as soon as possible, and their reasons for that position. We will include a copy of your communication with the affidavit supporting an amended interlocutory process.

Regards

**Thomas Kelly** | Special Counsel  
Norton Rose Fulbright Australia  
Level 38, Olderfleet, 477 Collins Street, Melbourne, Australia  
Tel +61 3 8686 6443 | Mob +61 429 836 553 | Fax +61 3 8686 6505  
[thomas.kelly@nortonrosefulbright.com](mailto:thomas.kelly@nortonrosefulbright.com)

**NORTON ROSE FULBRIGHT**  
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