

23 February 2012

Dear Investors,

I refer to our previous report to creditors dated 17 February 2012 which was distributed to investors (if you have not received such correspondence please contact this office for a copy and to confirm contact details), and confirm that on 15 February 2012 Richard Albarran, Glen Oldham and myself were appointed Administrators of Equititrust Limited.

I would like to take this opportunity to address the investors directly, acknowledge the importance of the investors, confirm my invitation to investors to attend the forthcoming creditors meeting and clarify a number of points.

CREDITORS MEETING

Monday 27 February 2012 at 11:00am
Gold Coast Convention Centre, Central Room A
Gold Coast Highway
Broadbeach, Queensland

I note that there may have been a suggestion on a particular forum that the forthcoming meeting of creditors has been cancelled.

Such a suggestion is incorrect.

I confirm and reiterate the invitation to the investors of;

- Equititrust Income Fund;
- Equititrust Priority Class Income Fund; and
- Equititrust Premium Fund.

to attend the forthcoming meeting of creditors.

My legal advice indicates that investors have the right to participate in the meeting as contingent creditors.

If you are not in a position to attend the forthcoming meeting location however you wish to participate, I note that there will be teleconferencing facilities available in Brisbane, Sydney, Melbourne and Perth. Details and proxy forms are available in the report to creditors dated 17 February 2012 or by contacting this office (contact details below).

CONFIRMATION OF VARIOUS INSOLVENCY APPOINTMENTS

The following table summarises the various appointments:

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BRISBANE

Level 19
144 Edward Street
Brisbane QLD 4000
Australia

Ph: (617) 3211 1250
Fx: (617) 3211 1249

GOLD COAST

Ph: (617) 5538 2322
Fx: (617) 5526 8599

SYDNEY

Ph: (612) 9263 2600
Fx: (612) 9263 2800

PARRAMATTA

Ph: (612) 9687 2100
Fx: (612) 9687 2900

PENRITH

Ph: (612) 4721 8144
Fx: (612) 4721 8155

MELBOURNE

Ph: (613) 8678 1600
Fx: (613) 8678 1699

PERTH

Ph: (618) 9489 2560
Fx: (618) 9489 2562

PARTNERS

Drew Townsend
David Kenney
Richard Albarran
Gino Malacco
Paul Leroy
Steven Gladman
Brent Kijurina
Blair Pleash
David Ross
Graham Webb
Domenic Calabretta
Bill Petrovski

ASSOCIATES

Sally Saad
David Ingram
Lyle Vallance

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Appointment (entity/fund)	Date	Appointees	Capacity	Appointor
Equititrust Income Fund Equititrust Priority Class Income	21/11/2011	BDO David Whyte	Receiver (court appointed)	Pursuant to Court Order
Equititrust Limited	15/02/2011	HALL CHADWICK Blair Pleash Richard Albarran Glen Oldham	Voluntary Administrators	Pursuant to Voluntary resolution by the board of directors of ETL
Equititrust Limited	16/02/2012	FERRIER HODGSON William Martin Colwell Gregory Michael Moloney	Receivers and Managers	National Bank of Australia
Equititrust Premium Fund	21/02/2012	MCGRATHNICOL Jamie Harris John Cronin Joseph Hayes	Receivers and Managers	Bank of Scotland International

VOLUNTARY ADMINISTRATION PROCESS

Generally a Receivers role is effectively to secure and realise assets to recover a debt specifically for a certain party (e.g. a secured creditor/bank).

The Administrators role differs from that of a Receiver as (among other things) it takes into account the interests of all stake holders (e.g. secured creditors, unsecured creditors and members.) The Voluntary Administration process, once initiated, continues whether or not Receivers are in place.

As outlined in our previous report the objective of the Voluntary Administration provisions in the *Corporations Act 2001* is to deal with the Company and its affairs to maximise the chance of the Company continuing in existence or, if continued existence is not possible, enables a better return to creditors and members than would result from an immediate winding up.

Advantages of the Voluntary Administration process:

- Provides a mechanism for the Company to make an arrangement with creditors/investors;
- Directors control is removed and placed in the hands of an independent external administrator; and
- Takes into account interests of all stakeholders.

The Voluntary Administration process provides a Company with a short breathing space to enable the formulation of a Deed of Company Arrangement proposal. A Deed of Company Arrangement is intended to provide creditors and members with a better return than an immediate winding up of the Company.

Alternatively, if a Deed is unlikely to provide a higher return or is incapable of implementation the Voluntary Administration process enables a streamlined transition to Liquidation. A Liquidator appointed to a Company in such circumstances has rights in respect of insolvent trading, voidable transactions and breach of director's duties.

Based on preliminary information it is expected that there will be sufficient funds to satisfy the secured and unsecured creditors of Equititrust. Therefore it is expected that at some stage in the immediate future, the debts to the secured creditors will be satisfied and the privately appointed Receivers retired.

Effectively upon satisfaction of all liabilities funds will become available for return to investors.

Accordingly, it would appear investors have a significant interest in the conduct of the current winding up of the respective funds.

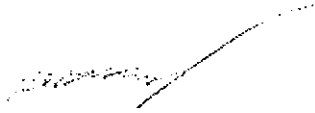
In recognition of these interests and the Voluntary Administrator's obligations to all stakeholders, we considered it appropriate that investors be provided the courtesy of this preliminary information prior to the forthcoming creditors meeting.

Additionally in recognition of the importance of keeping investors fully informed and facilitates clear communication, the Administrators have set up a free call phone number for any investor enquiries. Alternatively if investors prefer the Administrators also have a dedicated investor enquiry email address plus the regular mailing address.

Investor enquiry line: 1300 830 166

Investor enquiry email address: equititrust@hallchadwick.com.au

For and on behalf of



Blair Pleash

Richard Albarran

Glen Oldham