

23 March 2012

Report to Investors
of
Equititrust Limited
(Receivers Appointed) (Administrators Appointed)
(Receivers and Managers Appointed)
A.C.N. 061 383 944
("the Company")

Dear investors,

I refer to previous correspondence issued by the Administrators and write to provide an update.

I note that there have been posts made by various individuals on a particular online forum with respect to the Company. Although such anonymous posts carry little credibility and investors are urged to conduct their own research and draw their own conclusions, for the sake of clarity I provide the following information.

- David Hickie was appointed as a Director of the Company on 12 January 2012. I note that at all times since Mr. Hickie's appointment as Director, David Whyte, the court appointed Receiver has been in control of the Equititrust Income Fund ("EIF").
- The Administrators are liaising with Lion Advantage Limited, a company of which Mr. Hickie is a Director, in relation to a proposal whereby the role of the Responsible Entity ("RE") of EIF is or would be assumed by another entity. I have requested that any such proposal be provided to my office by close of business 21 March 2012.
- I have also been liaising with other parties in relation to assuming the role of the RE of EIF, namely Trilogy and Balmain. I requested that any such proposal be provided to my office by close of business Wednesday, 21 March 2012 and have to date receive proposals from Lion Advantage and Trilogy.
- Once finalised any such proposals will be presented to investors.
- The Administrators are investigating any potential claim against the auditor and will report to creditors in this regard.
- The Administrators are investigating any potential claim against the Director/ Professional Indemnity Insurance and will report to creditors in this regard.
- The Administrators are aware of a potential claim from Piper Alderman (on behalf of a number of the investors), however to date formal proceedings have not been filed with the Court.

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

A member of AGN
International Ltd, a
worldwide association
of separate and
independent
accounting
and consulting firms

www.hallchadwick.com.au

- Whilst the Administrators were appointed voluntarily by the Company's board of directors, they are required by law to act independently. The independence of the Administrators was outlined in the Declaration of Independence, Relevant Relationships and Indemnities, attached to the initial report to creditors dated 17 February 2012. To this end, as outlined above the Administrators have been dealing with a number of interested parties for potential proposals for a new RE. The proposals received will be disclosed to the unit holders with an analysis of the advantages and disadvantages of each proposal and the recommendation of the Administrators.

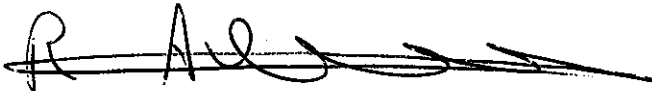
The above matters will be dealt with in my report to creditors in accordance with section 439A of the *Corporations Act 2001* ("the Act").

Furthermore, I note that the findings of my investigations will be reported to the Australian Securities and Investments Commission ("ASIC"), following which ASIC will determine if they wish to conduct further investigations into the affairs of the Company and the conduct of the current/previous Company officers.

As always, creditors are invited to contact my office on the details below with any queries they may have or to make clear any confusion which may arise from posts on any online forums.

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