

TO INVESTORS

27 March 2012

EQUITITRUST INCOME FUND ARSN 089 079 854 (“EIF”) (RECEIVER APPOINTED) (“The Fund”)

I refer to my previous two reports dated 1 February 2012 and 21 February 2012 and now provide my third update to investors on the progress of the winding up of the Fund by me as Court appointed receiver of the property of the Fund.

1. Court Order

Following the appointment by the board of Equititrust Limited of Blair Pleash, Richard Albarran and Glen Oldham of Hall Chadwick as Voluntary Administrators and Will Colwell and Greg Moloney of Ferrier Hodgson on 16 February 2012 as privately appointed Receivers and Managers of Equititrust Ltd (Administrators Appointed) (Receivers and Managers Appointed) (“EL”) by NAB, it was agreed amongst the parties that in order to save any duplication of effort and costs that I would apply to the court for further directions to clarify the roles of the various insolvency practitioners appointed and for directions that I (as Court appointed receiver) should continue with the winding up of the Fund pursuant to the powers already granted to me by the Court.

The attached court order dated 29 February 2012 includes confirmation that I may:

- take all steps necessary to realise the property of the EIF, including executing documents on behalf of the responsible entity;
- bring, defend or maintain any proceedings on behalf of the EIF in the name of Equititrust Ltd (Administrators Appointed) (Receivers and Managers Appointed); and
- take all steps necessary to effect the NAB bank guarantee facility and replace the CBA bank guarantee facility (this is currently in course to replace the existing facility of approximately \$1.2M).

2. Realisation of Assets

As I have previously advised investors, the purpose of my appointment by the Court is to ensure that the Fund is wound up in accordance with its constitution. The constitution of the Fund provides that when the Fund is being wound up, all assets must be converted to money, all proper costs deducted and then a distribution made to each investor in proportion to the investor’s interest in the Fund.

The process of the winding up of the Fund for the benefit of investors is well underway.