

TO INVESTORS

4 October 2012

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

I refer to my previous reports and now provide my eighth 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. Receipts and Payments

I provide below a summary of the Receipts and Payments of the Fund for the period since my last report of 27 August 2012.

Summary of Receipts and Payments for the Period 27 August 2012 to 2 October 2012		
Opening Cash at Bank		1,041,949.74
Receipts		
Interest Income		8,008.84
Legal Recoveries		45,000.00
Loan Recoveries:		
Morvale Land Pty Ltd	2,000,000.00	
Resort Corporation Australia (No.2) Pty Ltd	6,777.44	
Rosea Pty Ltd	18,333.33	
Toowoomba (Foundry Shopping Centre) Pty Ltd	154,564.25	
Tweed Central Pty Ltd	1,245,011.32	3,424,686.34
Total Receipts		3,477,695.18
Payments		
Bank Charges		48.80
Distressed Loan funding:		
Corymbia Estates Pty Ltd	3,036.00	
East Coast Pty Ltd	27,225.00	
Toowoomba (Foundry Shopping Centre) Pty Ltd	309,349.30	
Tweed Central Pty Ltd	4,485.37	
Valencia Grove Pty Ltd	1,500.00	
Wirrina Corporation	83,500.00	429,095.67

Distribution to Secured Creditor - NAB	2,500,000.00
IT expenses	4,246.00
Legal Fees	59,586.80
Office Rental charge	12,856.45
Staff Wages and Reimbursements	10,908.62
Total Payments	3,016,742.34
Closing Cash at Bank	1,502,902.58

2. Realisation of Assets

The realisation of the Fund's assets continues to progress.

As advised in previous reports, this is a public document and therefore to ensure I do not prejudice any ongoing negotiations regarding the sale of the properties, I will not at this time identify individual properties and/or their expected realisable values. However, I summarise all sales, contracts on foot, current offers accepted and contracts awaiting execution below:

	\$
Sales completed	14,180,806
Ten contracts on foot	8,029,746
Five offers accepted, awaiting executed contracts	1,999,280
Four offers under consideration	20,100,000 - 23,100,000

With respect to the information above, I note the following:

- One contract is unconditional with settlement scheduled in November 2012 and gross realisations of \$2.1 million;
- Four contracts are unconditional with settlements scheduled in December 2012 and gross realisations of approximately \$2.68 million;
- One contract is unconditional with settlement scheduled in March 2013 and gross realisations of \$1.6 million;
- A deed of settlement has been executed with \$150,000 received on 18 June 2012 and \$1.1 million to be received on 17 June 2013;
- Three contracts are unconditional with settlements scheduled in July 2013 and gross realisations of \$546,560;
- A contract for \$2.25 million has been terminated as the purchaser was unable to satisfy the due diligence clause within the required timeframe. The purchaser has submitted a revised offer, which is currently under consideration;
- Contracts for four lots are currently being exchanged with gross realisations of approximately \$949,280 anticipated. The agent for the site is continuing to market the remaining two lots;