

TO INVESTORS

9 November 2012

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

I refer to my previous reports and now provide my ninth 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 3 October 2012.

Summary of Receipts and Payments for the Period			
3 October 2012 to 4 November 2012			
Opening Cash at Bank			1,502,902.58
Receipts			
Interest Income			1,957.78
Loan Recoveries:			
Rosea Pty Ltd	18,333.33		
Toowoomba (Foundry Shopping Centre) Pty Ltd	76,118.27		
Tweed Central Pty Ltd	395,173.70	489,625.30	
Total Receipts			491,583.08
Payments			
Bank Charges			19.00
Distressed Loan funding:			
Boothers Pty Ltd	3,423.65		
Checkling Pty Ltd	2,920.04		
Corymbia Corporation Pty Ltd	880.00		
Corymbia Estates Pty Ltd	8,796.81		
CTP Pty Ltd	3,630.00		
East Coast Pty Ltd	29,915.81		
Gonfanon Pty Ltd	2,047.65		
Kele Property Group	17,397.92		
Toowoomba (Foundry Shopping Centre) Pty Ltd	716,353.51		

Tweed Central Pty Ltd	23,446.52	
Western Land Corporation	22,900.74	
Windsor Turf Pty Ltd	3,300.00	
Wirrina Cove	62,479.50	897,492.15
Equititrust Premium Fund (Receivers and Managers Appointed)		5,000.00
Settlement from Guarantor		
IT expenses		7,395.70
Legal Fees		2,643.90
Office Rental charge		6,188.27
Staff Wages and Reimbursements		11,234.87
Superannuation remittance		7,933.97
Total Payments		937,907.86
Closing Cash at Bank		1,056,577.80

I note that the 'Distressed Loan Funding' relates to marketing costs, agents' fees, consultants' fees and rates and land tax. The incurring of these costs are considered essential in terms of successfully realising the assets subject to the Fund's securities.

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 sales completed, contracts on foot, current offers accepted and contracts awaiting execution below:

	\$
Sales completed	14,180,806
Thirteen contracts on foot	10,833,946
Two offers accepted, awaiting executed contract/deed of assignment	2,170,000

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

- Five contracts are unconditional with settlement scheduled in November 2012 and gross realisations of \$3.76 million;
- Five contracts are unconditional with settlements scheduled in December 2012 and gross realisations of approximately \$4.04 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;
- One contract is unconditional with settlement scheduled in August 2013 and gross realisations of \$320,000;
- A contract is currently being exchanged with gross realisations of approximately \$400,000 anticipated. The agent for the site is continuing to market the remaining lot;
- Documentation is currently being prepared for the transfer of a security interest over a property in exchange for \$1.77 million;

The remaining 8 properties, with the exception of two properties, are currently on the market with one being prepared for the commencement of a sale campaign and the other subject to possession proceedings.

I will continue to update investors on the progress of the sales in my monthly reports to investors.

3. Legal Proceedings

There are currently numerous legal actions on foot including:

- Possession proceedings are underway with respect to a secured property as noted in section 2 of this report;
- Two claims have been filed against the same valuer for negligence and damages in excess of \$10 million. Expert witnesses have been engaged to progress the claims. Any amount recoverable will be sought against a professional indemnity insurance policy;
- A deed of settlement has been executed with respect to a claim against a guarantor. Filing for default judgment against the remaining guarantors is under consideration;
- Monetary judgement has been obtained against a guarantor, however a cross claim has been filed by the borrower with a hearing date scheduled for later in the year;
- Several proceedings are ongoing against a bankrupt/related parties to realise his interest in a property. This is likely to result in a substantial recovery for the fund;
- Collection of a judgement debt has been finalised with a final payment of \$250,000 received;
- An assessment of a costs order obtained against a borrower is ongoing; and
- Other claims are still being considered against borrowers/guarantors to determine if commercial recoveries are achievable.

The actions are expected to realise several million dollars for the benefit of investors although this may take some time to realise.

4. Estimated Return to Investors

I provide below an estimated return to investors of between 15 and 22 cents in the dollar as at 4 November 2012 as follows:

	Low \$000's	High \$000's
Total estimated selling prices	44,471	58,581
Less: Selling costs - marketing and agents fees (3.5%)	(1,556)	(2,050)
Secured creditors (net of cash at bank) and including bank guarantees	(1,195)	(1,195)
Other loan	(3,000)	(3,000)
Land Tax and Rates	(8,377)	(8,377)
Other unsecured creditors	(268)	(268)
Receivers fees	(939)	(939)
Estimated net amount available to investors as at 4 November 2012	29,136	42,752
Total investors units	193,916	193,916
Estimated return in the dollar	\$0.15	\$0.22

The above table does not take into account future operating costs, interest on bank loans until repaid in full, future Receivers fees and rates and land tax. It also excludes any legal recoveries against borrowers, valuers or other third parties.

Subject to the sale of the properties currently on the market and where sale campaigns are to commence and particularly depending on the sale of the two largest properties, I am hopeful that I will be able to commence interim distributions to investors in the first six months of next year. This will be after paying secured creditors, land tax and rates, Receivers fees and the unsecured creditors who rank ahead of investors' interests.

5. Court Application for Remuneration

As advised in my prior updates to investors, an application to the Court for the approval of my remuneration was filed on 21 September 2012.

The application was heard on 25 October 2012 with the Court approving my remuneration for the period from 21 November 2011 to 31 August 2012 in the amount of \$837,103.85 (inclusive of GST), a reduction of \$3,896.75 (inclusive of GST) of the total amount claimed. This reduction followed a submission by counsel on behalf of Equititrust Ltd (In Liquidation)(Receivers & Managers Appointed)("Equititrust") in relation to their view that the time I spent consulting with



my lawyers and reviewing my affidavit to support ASIC's intended winding up application against Equititrust, fell outside the terms of my appointment.

This occurred in February 2012 at a time when the winding up of the Fund was being hampered by the lack of cooperation of the directors who were trying to pursue an alternative strategy. The lack of cooperation was causing an increase in my costs and therefore in my view it was beneficial to investors for Equititrust to be wound up with a view to improving ongoing cooperation of the Responsible Entity in the winding up of the Fund.

A copy of the Court Order approving my remuneration is attached for your information.

I will continue to advise investors of all future applications with respect to seeking approval of my remuneration.

6. Piper Alderman Class Action

I have been advised that Piper Alderman is continuing to progress the claims available to Unit Holders in relation to the Fund's demise. Unit holders wishing to be part of the anticipated action should contact Shaan Palmer of Piper Alderman on (02) 9253 9920.

7. Receiver's Remuneration & Expenses

I attach a remuneration summary covering the period from 1 September 2012 to 4 November 2012 in respect of fees incurred of \$179,153.00 plus outlays of \$14,092.64 plus GST. None of the fees have been drawn to date.

As noted above, on 25 October 2012, the Court approved my remuneration for the period 22 November 2011 to 31 August 2012 in the amount of \$837,103.85 (inclusive of GST). These fees are expected to be paid later this month and after the secured creditors loan is paid in full. A bank guarantee facility of \$1.1M will remain in place with a view to arranging the release of the guarantees in due course or alternatively paying them out.

8. Updating your contact details

If investors wish to update their postal address or bank details, a request should be submitted in writing to the following address.

Equititrust Income Fund (Receiver appointed)
C/- BDO
GPO Box 457
Brisbane QLD 4001

9. Queries

Monthly reports will continue to be uploaded to the websites www.equititrust.com.au and www.equitrustincomefund.com.au.

The remaining staff and consultants engaged by me to assist in the winding up of the fund are located at the following address:



Postal Address: Equititrust Income Fund
Wyndham Building
Level 9, 1 Corporate Court
BUNDALL QLD 4217

Phone: 07 5510 4870
Fax: 07 5510 4907

Andrew Want of this office is, however, the key point of contact for all investor queries.
Andrew can be contacted by the following;

Phone: 07 3237 5999

Email: andrew.want@equititrustincomefund.com.au

Should investors have any queries in relation to the winding up of the Fund, they should contact my office on (07) 3237 5999 or by email at info@bdo.com.au.

Yours faithfully,

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

David Whyte
Receiver

Equititrust Income Fund (Receiver Appointed)
1 September 2012 to 4 November 2012

Employee	Position	Rate	Total Units	Total \$	Administration		Assets		Creditors		Employees		Trade-on	
					Units	\$	Units	\$	Units	\$	Units	\$	Units	\$
Whyte, David	Partner	560	125.90	70,504.00	31.10	17,416.00	62.30	34,888.00	6.20	3,472.00	0.00	0.00	26.30	14,728.00
Somerville, John	Senior Manager	425	148.80	63,240.00	17.50	7,437.50	89.80	38,165.00	8.10	3,442.50	0.00	0.00	33.40	14,195.00
Brushe, David	Manager	390	2.50	975.00	2.50	975.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bulda, Andrew	Supervisor	350	0.50	175.00	0.50	175.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Demeyere, Chris	Senior Accountant I	310	1.30	403.00	0.00	0.00	1.30	403.00	0.00	0.00	0.00	0.00	0.00	0.00
Coulston, Jayden	Senior Accountant II	270	21.40	5,778.00	19.10	5,157.00	1.30	351.00	0.00	0.00	1.00	270.00	0.00	0.00
Want, Andrew	Senior Accountant II	270	123.50	33,345.00	121.10	32,697.00	0.00	0.00	0.00	0.00	0.00	0.00	2.40	648.00
Tom Hogbin	Tax consultant	240	0.30	72.00	0.30	72.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pembroke, Elle	Accountant I	220	0.90	198.00	0.90	198.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jones, Annabel	Accountant II	190	7.70	1,463.00	7.70	1,463.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL			432.80	176,153.00	200.70	65,590.50	154.70	73,807.00	14.30	6,914.50	1.00	270.00	62.10	29,571.00
GST				17,615.30										
TOTAL INC GST				193,768.30										
AVERAGE HOURLY RATE			407.01	326.81		477.10		483.53		270.00		476.18		

DISBURSEMENT REPORT

Equititrust Income Fund (Receiver Appointed)
1 September 2012 to 4 November 2012

Item	
Advertising	227.05
Accommodation	209.54
Airfares	329.28
Courier	255.49
Fax	7.00
Mileage	391.85
Parking	174.55
Photocopy	6,801.00
Postage	3,822.72
Printing	721.80
Search Fee	726.99
Travel - Car Rental	374.52
Travel - Taxi	50.85
Sub Total	14,092.64
GST	1,409.26
TOTAL	15,501.90

Duplicate

SUPREME COURT OF QUEENSLAND

REGISTRY: BRISBANE
NUMBER: BS 10478 OF 2011

**IN THE MATTER OF EQUITITRUST LIMITED (RECEIVERS AND MANAGERS
APPOINTED (IN LIQUIDATION) ACN 061 383 944**

**Applicant: EQUITITRUST LIMITED (RECEIVERS AND MANAGERS
APPOINTED (IN LIQUIDATION) ACN 061 383 944**

AND

**Respondents: THE MEMBERS OF THE EQUITITRUST INCOME FUND ARSN 089
079 854 AND THE MEMBERS OF THE EQUITITRUST PRIORITY
CLASS INCOME FUND ARSN 089 079 729**

ORDER

Before: The Honourable Justice Mullins
Date: 25 October 2012
Initiating Document: Application filed 21 September 2012

THE ORDER OF THE COURT IS THAT:

1. Pursuant to subparagraph 3(d) of the Order of the Honourable Justice Applegarth made on 21 November 2011 and subparagraphs 5(c) and 6(c) of the Order of the Honourable Justice Applegarth made on 23 November 2011, the remuneration of David Whyte, for the period 22 November 2011 to 31 August 2012, be fixed in the amount of \$837,103.85 (inclusive of GST); and
2. The costs of and incidental to the application filed on 21 September 2012 be costs in the winding up and the receivership of the Equititrust Income Fund, to be paid out of the assets of the Equititrust Income Fund.

Signed: 

DEPUTY REGISTRAR



Order
Filed on behalf of the court appointed receiver
Form 59 Pt 661

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