

Advance Mortgage Fund - update

9 September 2013

The Advance Mortgage Fund (the Fund) was terminated effective 15 May 2012 and we have actively been returning all remaining capital to Investors of this fund, as cash becomes available.

It's important to ensure that all investors are treated fairly, so as cash becomes available through the maturity of the Fund's underlying mortgages, investors will receive a subsequent payment based on their unit holding in the Fund. Investors will also continue to receive a share of available distributable income each month based on their account balance and the Funds earnings at that time.

Next payment will be made in September

A payment equivalent to approximately 50% of Investors' current account balance in the Fund will be made by the end of September 2013. This amount will be paid in accordance with Investors' current instructions.

When will the wind-up process end?

The wind-up process for the Fund will continue into 2014. At this stage, we aren't able to provide any indication as to when the process will end. However as cash becomes available, we will continue to make further payments to Investors (after the payment of expenses).

Has anything changed with the Fund?

As a result of the termination of the Fund, we are no longer able to provide access to hardship relief provisions.

A property previously held has been sold at a lower value than the amount of the original mortgage. It was therefore necessary to write-off the difference which resulted in the unit price falling from \$1.00 to \$0.97 from 26 June 2013.

There are only a few assets remaining in the Fund. Those assets are in the process of being liquidated but there may be further write downs. We will communicate with you in due course if this occurs.

For more information

If you have any questions or would like more information, we have a team of investment specialists who'll be happy to help answer any general questions Investors have on 1800 819 935. Of course, if you have a financial adviser, then you should speak to them for personal advice tailored to your specific financial situation, objectives and needs.

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