

TO INVESTORS

16 May 2012

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

I refer to my previous reports dated 1 February 2012, 21 February and 27 March 2012 and now provide my fourth 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 26 March to 13 May 2012.

Summary of Receipts and Payments for the Period 26 March 2012 to 13 May 2012

Opening Cash at Bank	1,228,181.34
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Receipts

Interest Income	2,915.75
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Loan Recoveries:

Corymbia Corporation Pty Ltd	1,452.21	
Kristine Newton	2,665,906.97	
Rosea Pty Ltd	19,583.33	
Taylor, AG & SK	207,584.01	
Toowoomba (Foundry Shopping Centre) Pty Ltd	6,919.00	
Tweed Central Pty Ltd	153,716.77	
Western Land Corporation	160.00	3,055,322.29
Total Receipts		3,058,238.04

Payments

Bank Charges	618.12
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Distressed Loan funding:

Boothers Pty Ltd	7,380.63
Checkling Pty Ltd	39,089.58

Corymbia Corporation Pty Ltd	31,526.10	
Corymbia Estates Pty Ltd	1,320.00	
East Coast Pty Ltd	13,186.42	
Gamp Developments Pty Ltd	26,078.00	
Gonfanon Pty Ltd	6,046.42	
Kele Property Group (Port Macquarie) Pty Ltd	4,856.02	
Morvale Land Pty Ltd	4,021.10	
Mountbell Pty Ltd	4,058.32	
Resort Corporation Australia (No 2) Pty Ltd (In Liq)	20,678.35	
Tweed Central Pty Ltd	101,876.63	
Valencia Grove Pty Ltd	6,935.50	
Western Land Corporation	14,891.25	
Windsor Turf Pty Ltd	29,324.43	
Wirrina Corporation Pty Ltd	122,122.78	433,391.53
Internet Hosting & Access		1,284.80
IT expenses		27,854.48
Legal Fees		114,655.68
Office Rental charge		11,963.95
Purchase of office equipment		745.00
Secured Creditor distribution		
Commonwealth Bank of Australia	54,409.25	
National Bank of Australia	1,200,000.00	1,254,409.25
Wages & Salaries		60,450.83
	Total Payments	1,905,373.64
Closing Cash at Bank		2,381,045.74

2. Realisation of Assets

As previously advised, the process of the winding up of the Fund for the benefit of investors is well underway.

As this is a public document and 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 in the table below the sales completed since my appointment, contracts on foot and current offers accepted and waiting execution of contracts:

	\$
Sales completed	6,758,866
Six contracts on foot	4,253,186
Two offers accepted, awaiting executed contracts	4,850,000

With respect to the contracts on foot, I note the following:

- A deed of settlement has been executed with \$150,000 to be received on 17 June 2012 and \$1.1M to be received on 17 June 2013.
- A contract for \$1.575M has been executed with due diligence expiring on 17 May 2012 and settlement 60 days thereafter.
- A contract for \$545,500 was executed on 16 May 2012 with 30 day settlement terms.
- Three unconditional contracts totalling \$1,033,186 are due to settle between 30 November 2012 and 23 December 2012.

With respect to the offers accepted, I note the following:

- A contract for \$2.95M has been delayed pending confirmation that the Development Approval, that was lodged and withdrawn, will not be opposed by Council.
- A previous offer that was accepted at \$1.9M has not progressed and, therefore, I am arranging for this property to be remarketed after dealing with an outstanding issue in relation to vegetation on the site.

The remaining 15 properties, with the exception of two properties, are currently on the market or being prepared for the commencement of sale campaigns. With respect to the properties two not presently subject to a sale campaign, I have engaged two planning consultants to advise on whether or not a revised development application should be pursued prior to taking one of the properties to market and the other is subject to possession proceedings.

I will update investors on the progress of the sales in my monthly reports to investors. With the contracts on foot and sale campaigns reaching their closing date, I am hopeful that NAB will be repaid in full by the end of July 2012.

3. Legal Proceedings

There are currently nine legal actions on foot although five are largely finalised with cost orders to be recovered in four of those matters.

Judgement was handed down on one matter on 13 March 2012 in the amount of \$401,554 plus interest and costs against several parties. Settlement terms against two parties have been agreed with \$150,000 expected to be received by the end of May 2012.

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

Additionally, as noted above I have instructed solicitors to commence possession proceedings in respect of one property. In addition instructions have been given in relation to two actions against

the same valuer for negligence and damages in excess of \$10M. Any amount recoverable in this latter respect will be sought against a professional indemnity insurance policy.

4. NAB Funding

Notwithstanding the existing defaults on the National Australia Bank (“NAB”) facilities, NAB have approved the continued support of the facilities at normal rates and not at default rates. NAB has also agreed to replace the bank guarantee facility provided by the other secured creditor who insisted on repayment of their facility.

5. Estimated Return to Investors

In my report of 1 February 2012, I provided an estimated return to investors of between 34 and 46 cents in the dollar. This did not take into account future operating costs, interest on bank loans until repaid in full, future Receivers fees and rates and land tax after 31 December 2011. It also excluded any legal recoveries against borrowers, valuers or other third parties.

Since then a number of offers have been received for properties, valuations have been updated on a number of properties and feedback from sale campaigns have indicated in several instances that the valuation amounts are unlikely to be achieved. As a result of this feedback, there have been significant write downs in relation to three large properties in particular.

I have therefore updated the estimated selling values for the properties and have adjusted the estimated return to investors to between 18 and 30 cents in the dollar as at 30 April 2012 as follows:

	Low \$000's	High \$000's
Total estimated selling prices	56,394	80,837
Less: Selling costs - marketing and agents fees (3.5%)	(1,974)	(2,829)
Secured creditors (net of cash at bank)	(7,673)	(7,673)
Land Tax and Rates	(7,900)	(7,900)
Other unsecured creditors	(1,585)	(1,585)
Receivers fees	(464)	(464)
Estimated net amount available to investors as at 30 April 2012	36,798	60,386
Total investors units	203,635	203,635
Estimated return in the dollar	\$0.18	\$0.30

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 after 30 April 2012. It also excludes any legal recoveries against borrowers, valuers or other third parties.

With the benefit of further sales of the properties currently on the market and where sale campaigns are to commence, I am hopeful I will be able to commence interim distributions to investors in the second half of this year. This will be after paying secured creditors, land tax and rates, Receivers fees and the unsecured creditors who rank ahead of investors' interests.

6. Receivers Remuneration & Expenses

I attach a remuneration summary covering the period from 21 November 2011 to 13 May 2012 (six months) in respect of fees incurred of \$463,873.50 plus outlays of \$9,389.45 plus GST. None of the fees have been drawn to date.

I intend making an application to Court to seek approval of my fees for the period to 13 May 2012. I will notify creditors and investors of the application date with relevant documents to be uploaded to the websites www.equitrust.com.au and www.equitrustincomefund.com.au.

7. Contact Details

As previously advised, the staff and consultants engaged by me to assist in the winding up of the fund are located at the following address which should be used for all communications.

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

Phone: 07 5510 4870
Fax: 07 5510 4907

8. Queries

Monthly reports will continue to be uploaded to the websites www.equitrust.com.au and www.equitrustincomefund.com.au. The latter new website is currently a copy of the old website and will be upgraded in due course.

Should investors have any queries in relation to the winding up of the Fund, they should contact the investors relation manager, Trish Riley on (07) 5510 4870 or my office on (07) 3237 5999 or by email at info@bdo.com.au. In the event investors raise queries not covered by the monthly reports, I will consider adding a frequently asked questions section to the new website.

Yours faithfully,



David Whyte
Receiver

Equititrust Income Fund (Receiver Appointed)
22 November 2011 to 13 May 2012

Employee	Position	Rate	Total Units	Total \$	Administration		Assets		Creditors		Employees		Investigations		Trade-on	
					Units	\$	Units	\$	Units	\$	Units	\$	Units	\$	Units	\$
Fielding, Andrew	Partner	545	0.20	109.00	0.20	109.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Newman, Helen	Partner	545	0.60	327.00	0.60	327.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Whyte, David	Partner	545	605.50	329,997.50	13.80	7,521.00	107.40	58,533.00	42.10	22,944.50	0.20	109.00	8.70	4,741.50	433.30	236,148.50
Brushe, David	Manager	375	134.20	50,325.00	25.70	9,637.50	82.60	30,975.00	1.80	675.00	0.00	0.00	1.00	375.00	23.10	8,662.50
Raphael, Alastair	Manager	375	0.80	300.00	0.80	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bauer, Kirsty	Senior Accountant II	260	8.00	2,080.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.00	2,080.00	0.00	0.00
Robotham, Scott	Senior Accountant II	260	0.20	52.00	0.20	52.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Want, Andrew	Senior Accountant II	260	239.20	62,192.00	224.20	58,292.00	1.10	286.00	5.40	1,404.00	0.00	0.00	0.00	0.00	8.50	2,210.00
Coulston, Jayden	Accountant I	210	56.00	11,760.00	18.10	3,801.00	11.90	2,499.00	23.50	4,935.00	1.90	399.00	0.10	21.00	0.50	105.00
Jones, Annabel	Accountant I	210	17.30	3,633.00	17.30	3,633.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pembroke, Elle	Accountant I	210	5.80	1,218.00	5.50	1,155.00	0.00	0.00	0.30	63.00	0.00	0.00	0.00	0.00	0.00	0.00
Gasper, Michael	Accountant II	160	6.50	1,040.00	6.50	1,040.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Richardson, Ashley	Administrative Assistant	70	12.00	840.00	12.00	840.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL			1,086.30	463,873.50	324.90	86,707.50	203.00	92,293.00	73.10	30,021.50	2.10	508.00	17.80	7,217.50	465.40	247,126.00
			GST	46,387.35												
			TOTAL INC GST	510,260.85												
AVERAGE HOURLY RATE			427.02	266.87	454.65	410.69	241.90	405.48	531.00							

DISBURSEMENT REPORT

Equititrust Income Fund (Receiver Appointed)
22 November 2011 to 13 May 2012

Item	
NSW Power of Attorney Transfer fee	90.45
Airfares	2,475.41
Travel - Mileage	2,557.50
Travel - Taxi	24.82
Travel - Car Rental	469.47
Parking	63.64
Courier	449.49
Mobile Internet	53.63
Postage	800.72
Photocopying	1,713.60
Search Fee	690.72
Sub Total	9,389.45
GST	938.95
TOTAL	10,328.40