

# EAST COAST MORTGAGE TRUST

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Dear Investor,

We enclose your East Coast Advantage account statement for the month of February.

Our latest Withdrawal Offer has now been completed. Those investors who made a request received 55.15% of that request. If you participated in this offer the amount paid is shown on your enclosed statement.

The Board has resolved to take action to reduce the number of accounts with balances less than \$1000.00.

We therefore enclose detail of our next Withdrawal Offer of a further \$5 million which will close Monday 29<sup>th</sup> March 2010.

The emphasis of this Withdrawal Offer will be to minimise investments less than \$1000.00 thereby reducing the ongoing administration costs for the Trust. The maximum an investor can seek to withdraw is \$1,000 or the balance of their investment (whichever is the lesser).

The Board does accept that some investors with investments less than \$1000.00 will want to retain their investment. We will respect that decision. Please note, where an investor has an account balance of less than \$100.00 we will be lodging a withdrawal request on behalf of that investor to withdraw and pay their full account balance

Subject to liquidity it is our intention to continue our regular Withdrawal Offers in future months.



**Scott Collis**  
**Chief Executive Officer**  
**5<sup>th</sup> March 2010**

## Periodic Redemption Offer

### The Offer

The Board has again considered what is in the best interests of all investors in deciding on the figure of \$5 million. We have attempted to balance the needs of investors who require access to part of their funds along with the need to ensure the Trust remains in a strong financial position.

This offer unlike the past however will be on the basis of up to \$1,000 per investor. Therefore the maximum an investor can seek to withdraw is \$1,000 or the balance of their investment (whichever is the lesser). This offer is intended to be fair and equal to all investors but to also enable those investors with small (less than \$1,000) to close their investment thereby reducing the ongoing administration costs for the Trust.

Any investor with an account balance of less than \$100 will have a withdrawal request lodged by us on their behalf in accordance with the constitution of the Trust.

Any application for withdrawal which exceeds \$1,000 will be taken to be an application for a withdrawal of \$1,000.

This offer will remain open until 5.00pm (NSW time) on 29<sup>th</sup> March 2010.

There is no obligation on us to make such an offer of withdrawal, and whilst the offer will be made to all eligible investors we hope only those investors with pressing needs will participate.

### How does it work?

**Only investors in East Coast Advantage are eligible to participate.**

Eligible investors should complete the attached form and submit it to us by no later than 5.00pm (NSW time) Monday 29<sup>th</sup> March 2010. **Fax Requests will not be accepted.**

If the total withdrawal requests submitted exceed \$5 million then requests will be satisfied proportionately in accordance with the Corporations Act detailed below.

The method for processing oversubscribed withdrawal requests is specified in section 601KD of the Corporations Act by using the following formula:

**Amount of money available**                      X                       $\frac{\text{Amount an investor requested to withdraw}}{\text{Total of all amounts investors request to withdraw}}$

