

Mortgage Income Trust

ARSN 090 082 803

Announcement – 15 October 2010

Letter to Investors

Dear Investor

ALERT – Notification about an unsolicited offer to purchase your investment in the Australian Unity Mortgage Income Trust (the Fund)

Following our letter to you on 20 July, we understand that you may have received an unsolicited offer from Direct Share Purchasing Corporation (DSPC) to purchase your investment in the Mortgage Income Trust for 20% less than the current \$1.00 unit value.

Australian Unity Investments has no involvement in the offer or association with DSPC.

A payment of 80 cents for your \$1.00 unit is below fair market value and we recommend talking to your financial adviser or calling our Investor Services Team on **13 29 39** before making an investment decision.

The facts about your investment

1. Your capital has remained secure. The Fund's current unit value is at or very near \$1.00 and this value has remained consistent to date for the Fund.
2. Your monthly income distributions have continued. Your investment currently provides an income yield of 5.50% per annum* and we expect the rate of return to steadily increase in line with rising interest rates and more favourable economic conditions.
3. You can access part of your capital on a regular basis. Investors with an average balance of \$50,000 in November 2008 who have applied for the maximum amount available at every offer since that time have now received 100% of their capital at \$1.00 per unit. Investors with larger balances who have participated in each withdrawal offer will have also received a significant portion of their capital back.

Australian Unity Investments was obliged under law to provide the register of unitholders to DSPC. Before the last election the Government introduced legislation to the federal parliament which would have permitted companies to refuse a request for a register unless a "proper" purpose was demonstrated. Unfortunately, the election was called without the legislation being passed permitting DSPC to seek the register for your Fund. Australian Unity Investments regrets that it was obliged by law to provide this information.

Notice issued by:

Australian Unity Funds Management Limited
ABN 60 071 497 115, AFS Licence No 234454.

114 Albert Road, South Melbourne VIC 3205

Investor Services 13 29 39

Adviser Services 1800 649 033

australianunityinvestments.com.au

Mortgage Income Trust

ARSN 090 082 803

Announcement – 15 October 2010

Where to go for more information

If you have any questions about this letter, please call our Investor Services team on 13 29 39. You can also email us at investments@australianunity.com.au. If you have any questions about your investment, please contact your financial adviser.

More details about unsolicited offers to purchase investments are also available from ASIC's consumer website (fido.gov.au). In addition, you can contact ASIC on 1300 300 630 or by emailing infoline@asic.gov.au.

Yours sincerely



Alan Castleman
Chairman

*Important information: Past performance is not a reliable indicator of future performance.

Notice issued by:

Australian Unity Funds Management Limited
ABN 60 071 497 115, AFS Licence No 234454.

114 Albert Road, South Melbourne VIC 3205

Investor Services 13 29 39

Adviser Services 1800 649 033

australianunityinvestments.com.au