

Australian Unity Wholesale High Yield Mortgage Trust

ARSN: 113 151 947

APIR: AUS0005AU

Australian Unity High Yield Mortgage Trust

ARSN: 113 151 705

APIR: AUS0003AU

Announcement – 9 December 2011

Termination of the Australian Unity Wholesale High Yield Mortgage Trust and Australian Unity High Yield Mortgage Trust

After careful consideration, Australian Unity Funds Management Limited, as responsible entity for the Australian Unity High Yield Mortgage Trust and the Australian Unity Wholesale High Yield Mortgage Trust (together the "Trusts"), has decided to wind up the Trusts; commencing **9 December 2011**.

Under the powers permitted in the Trusts' Constitutions, we will commence an orderly liquidation of the Trusts' assets and progressively return capital to all investors in an equitable manner. The table below outlines the effect of this decision for you and your investment.

Your PREVIOUS investment position	Your NEW investment position as a result of the decision to wind up the Trust
<ul style="list-style-type: none"> You were able to apply for units in the Trusts. You were able to apply to withdraw a portion of your investment capital via two withdrawal options. A maximum monthly withdrawal of 3% of Net Asset Value of the Trust was available. Income distributions were paid monthly. 	<ul style="list-style-type: none"> The Trusts will no longer accept applications, regular savings plans or the reinvestment of distributions. An initial payment equivalent to 10% of your current investment in the Trust will be paid before Christmas this year. A second payment is expected to be paid in March 2012. This payment will equate to 5% of your investment in the Trust at the time the payment is made. Future payments are anticipated to be made on a six-monthly basis, commencing in September 2012. Monthly income distributions will cease from the date of this letter. Income may be distributed with future repayments of capital, as part of the distribution of the Trusts' assets.

We anticipate that the wind up process will be completed by June 2014. However, due to market conditions and other factors outside our control, this date may change. We will continue to regularly communicate with investors on the progress of the wind up.

Our continued aim during the Trusts' wind up process will be to return the full amount of your invested capital.

For more information

A Q&A document is available containing more information about the wind up and termination. We will continue to provide regularly updated information on the Trusts in the Continuous Disclosure Notice.

Please refer to the 'Quick Links' sections of this website or contact Investor Services on **13 29 39** for copies of these documents.

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
 australianunityinvestments.com.au

9 December 2011

«Mailing_Name»
«Address1»
«Address2»
«Address3»
«Suburb» «State» «Postcode»
«Country»

Dear Investor

**Notice of termination of the
Australian Unity Wholesale High Yield Mortgage Trust**

This letter provides important information regarding your investment in the Australian Unity Wholesale High Yield Mortgage Trust (Trust).

As you are already aware, the onset of the global financial crisis in 2008 had a profoundly negative effect on much of the Australian economy, and particularly impacted the mortgage trust sector.

During that time we successfully:

1. managed the Trust's assets to protect your investment so your capital has remained at or near its original value (i.e. at a \$1 unit price)
2. paid monthly income distributions, and
3. provided a measure of liquidity in the Trust. Since December 2008, you could have accessed a total of approximately 48% of your investment.

In the current environment, however, Australian Unity Funds Management Limited, as Responsible Entity for the Trust, now believes it is in the best interests of all investors to terminate and wind up the Trust, effective **9 December 2011**.

Under the powers permitted in the Trust's Constitution, we will commence an orderly liquidation of the Trust's assets and progressively return capital to all investors in an equitable manner. The table below outlines the effect of this decision for you and your investment.

Your PREVIOUS investment position	Your NEW investment position as a result of the decision to wind up the Trust
<ul style="list-style-type: none">• You were able to apply to withdraw a portion of your investment capital via two withdrawal options.• A maximum monthly withdrawal of 3% of Net Asset Value of the Trust was available.• Income distributions were paid monthly.	<ul style="list-style-type: none">• An initial payment equivalent to 10% of your current investment in the Trust will be paid before Christmas this year.• A second payment is expected to be paid in March 2012. This payment will equate to 5% of your investment in the Trust at the time the payment is made.• Future payments are anticipated to be made on a six-monthly basis, commencing in September 2012.• Monthly income distributions will cease from the date of this letter. Income may be distributed with future repayments of capital, as part of the distribution of the Trust's assets.

We anticipate that the wind up process will be completed by June 2014. However, due to market conditions and other factors outside our control, this date may change. We will continue to regularly communicate with investors on the progress of the wind up.

Our continued aim during the Trust's wind up process will be to return the full amount of your invested capital.

Where to go for more information about your investment

The enclosed Information Sheet provides an estimated timeline for the return of your investment, as well as a series of questions and answers about the wind up process.

We expect to make the first interim payment to you before Christmas 2011, which will consist of 10 percent of your investment in the Trust.

If you have any further questions, please speak with your financial adviser. Alternatively, you can call a member of our Investor Services Team on **13 29 39** or visit our website (www.australianunityinvestments.com.au), which can provide additional information about the Trust.

You can also email any questions to investments@australianunity.com.au.

Yours sincerely

<insert signature>

Cameron Dickman
General Manager Retail
Australian Unity Investments