

EQT Media Release

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25 April 2012

Austock Life selects EQT mortgage fund

Following a review of the investment menu of its Imputation Bond offering, life insurance company Austock Life has added Equity Trustees Limited's (EQT) Mortgage Income Fund to the menu.

Ross Higgins, managing director of Austock Life, said that Equity Trustees appointment as the mandated manager for the Imputation Bond's Australian mortgages menu option is a timely and complimentary addition to the Bond' cash, fixed interest and term deposits suite, which has experienced significant inflows over recent times."

"It is very important to many of our investors - especially those using the Imputation Bond's estate planning and aged care strategies - to have stability and reliability of the underlying investments. The ability of Equity Trustees' mortgage fund to generate regular income, combined with its excellent track record of risk management and zero capital loss, makes it an attractive addition to the Imputation Bond menu."

"The fact that the fund was established over 40 years ago, and has never been closed to redemptions or experienced a decline in capital value during that time, is also very appealing," Mr Higgins said.

The EQT Mortgage Income Fund seeks to produce income for investors by providing loans to selected borrowers which are secured by registered first mortgages. It has returned 6.27 per cent over three years and 6.38 per cent over five years.

John Terlikar, portfolio manager – mortgages, at EQT, said that the Mortgage Income Fund has continued to perform better than most alternative income investments throughout the ongoing global economic volatility.

"Furthermore, at a time when term deposit rates vary due to the banks increase in cost of funds, mortgage funds can make a useful diversification to investment portfolios.

"Our Mortgage Income Fund also provides stability, without the downside of being 'locked in' for a period of time," Mr Terlikar said.

Austock Life is one of the leading specialist issuer of insurance bonds. Its core Imputation Bond product has rapidly grown to over \$250 million and offers investors an expansive investment menu and strategy-based avenues for incorporating "tax-paid" lump sums into financial plans to meet life-event objectives. These include education funding, home ownership and estate planning as an accessible alternative to superannuation.

Austock Life operates as a registered life insurance company under the Life Insurance Act 1995 and also holds an Australian Financial Services Licence under the Corporations Act. As an emerging financial products provider, the company's business strategy is to use its life office structure to design, manufacture and distribute creative tax effective investment and income stream products.

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Equity Trustees is a publicly listed company that provides a range of financial services to corporate and private clients. Its businesses include private client wealth management, funds management, responsible entity appointments, and corporate and personal superannuation.

The company manages over \$4 billion in its funds management, private client and superannuation businesses and has more than \$19 billion under responsible entity administration. Equity Trustees employs over 180 people in its Melbourne, Sydney and Brisbane offices.

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The information contained in this release is of a general nature only and is not intended as individual advice. Investors should always seek professional advice to take into account their own objectives and circumstances.

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