

26 February 2010

TO THE UNITHOLDERS

ASTTAR WHOLESALE PORTFOLIO SERVICE (“AWPS”) (FORMERLY ASTARRA PROPERTY POOL)

1 Background

Neil Singleton, Stephen Parbery and Nicholas Martin were appointed Voluntary Administrators to Trio Capital Limited (“Trio”) on 16 December 2009. Trio is the Responsible Entity of the Astar Wholesale Portfolio Service (AWPS or “the Fund”).

Following our appointment, and after establishing that the Fund was “illiquid”, the Administrators closed the Fund to redemptions pending the outcome of their investigation into the financial position of the Fund.

2 Investigations

We have commenced investigation into the financial position of the Fund, particularly, the recoverability of its assets.

We note that the Auditors did not sign an audit report in respect of the Fund as at 30 June 2009 in the absence of available evidence to support the value of the assets disclosed in the Balance Sheet at that date.

As a consequence of our investigations, we are of the view that the Fund is “illiquid”. In particular, we advise that the following Fund assets are not readily realisable:

- Investments in Ualan Property Holdings Pty Ltd
- Loans to Ualan Property Holdings Pty Ltd
- Units in Astarra Stategic Fund (ASF)
- Units in Astarra Overseas Equity Pool (AOEP)
- Units in Millhouse Private Equity Trust #1 and #2

Our comments in relation to the financial position of the fund are set out at Section 4 of this communication.

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3 Winding Up

The Fund is not in a position to receive any further subscriptions or meet redemption requests and we are unable at this time to provide any guidance as to the timeframe for the realisation of the Fund's assets.

In the circumstances, we are of the view that an application should be made to Court to secure the appropriate orders in connection with the winding-up of the Fund.

The application for winding up was filed 26 February 2010 and is listed for hearing in the Supreme Court of New South Wales at 2pm on 19 March 2010.

Important Note: The winding up of the Fund does not mean a "fire sale" of the assets. The assets of the Fund will be realised in an orderly manner with a view to maximising the returns to unitholders. We propose to involve unitholders in decisions concerning the realisation of Fund assets.

4 Financial Position of Fund

Set out below is a summary of the estimated assets and liabilities of the Fund at the date of our appointment as Administrators based on information provided by Trio.

Assets	Notes	Book Value \$000
NATL Custodian Account		5,939
NATL Application Account		43
Investment in Ualan Property Holdings	1	9,054
Loans to Ualan Property Holdings	1	4,722
Units - Blackrock Direct Property	2	256
Units - Herschel Absolute Fund		5,920
Units - Macquarie Special Events Fund		5,638
Units - IML Concentrated Aust Share Fund		10,693
Units - Astarra Cash Pool	3	7,841
Units - Astarra Diversified Fixed Interest Pool	3	4,381
Units - Astarra Overseas Equity Pool	4	5,287
Units - Astarra Strategic Fund	5	247
Units - MPET #1 and #2	6	3,452
Net Assets Of Fund		63,473
Units on Issue (\$000's)		88,033

Notes:

- AWPS owns approximately 64.4% of the shares in Ualan Property Holdings Pty Ltd ("UPH"), a property investment/development company which in turn has 7 active special purpose vehicle subsidiaries with current property developments. Of these developments 5 are complete whilst 2 consist of vacant land yet to be developed. In addition to equity initially provided to UPH, shareholders of UPH, including AWPS, have provided unsecured loans to UPH to meet ongoing development, holding and administration costs. Whilst investigations are still continuing, the Administrators are unable to determine at the date of this report the likely recoverability of the unsecured loans to UPH or the value of AWPS's interest in the equity of UPH. Decisions will need to be made in the near future in respect of whether to continue to provide financial support to meet ongoing development, holding and administration costs and the Administrators are currently working with the Directors of UPH to gather further information as to what may be in the best interest of the members of AWPS.

2. On 1 October 2009, Blackrock issued a supplementary Product Disclosure Statement advising that the fund was deemed illiquid within the definition of the Corporations Act 2001 on 16 July 2009. Details have not been provided as to the level of the illiquidity and investigations will continue.
3. Trio is the Responsible Entity of both Astarra Cash Pool and Astarra Diversified Fixed Interest Pool. The assets of both schemes consist of cash and investment in Australian listed securities or funds and accordingly there is no expected impairment in respect of these investments.
4. AWPS owns approximately 57.6% of the units in Astarra Overseas Equity Pool (AOEP), another scheme of which Trio is the Responsible Entity. The primary assets of AOEP are investments in Millhouse Private Equity Trust #1 and #2 and Astarra Strategic Fund (both of which Trio, or Trio related entities are the relevant Responsible Entity or Trustee). There are issues regarding the value and likely recoverability of these investments. For further information please refer to the separate notice to Unit Holders of AOEP also available via this web link.
5. AWPS also has direct investments in Astarra Strategic Fund. Please refer to the separate notice to Unit Holders of Astarra Strategic Fund (ASF) also available via this web link for further details regarding ASF.
6. AWPS also has direct investments in Millhouse Private Equity Trust #1 and #2 (MPET #1 and #2). These trusts have invested equally in various overseas pharmaceutical research and development and telecommunication companies. The above value is based upon the recorded buy price of units in MPET #1 and #2. We are continuing with our investigations into the likelihood of recovering the recorded book value of these investments, however, previous unit redemption requests made on behalf of AWPS in mid 2009 were deferred by 24 months by the investment manager of the Trusts on the basis that allowing the redemptions may detrimentally impact remaining unit holders. Accordingly, any realisation through unit redemptions is not expected to occur for at least a further 12 -18 months.

Our investigation into the value and recoverability of the assets of AWPS is continuing. The Administrators do not at this time provide any warranties as to the ultimate value of the assets of the Fund or the value of the units in the Fund. Further updates will be provided to unitholders in due course.

5 Future Course of Action

Subsequent to the winding up of the Fund being heard by the Court, the Administrators propose to convene a meeting of unitholders to discuss the winding up strategies.

Yours faithfully



Neil Singleton
Joint Administrator