

26 February 2010

TO THE UNITHOLDERS

ASTARRA OVERSEAS EQUITIES POOL (“AOEP”)

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 Astarra Overseas Equities Pool (“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 Fund’s principal assets, being units in the Astarra Strategic Fund (“ASF”) and Millhouse Private Equity Trusts No. 1 and 2 (MPET #1 and 2) are not readily realisable.

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

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.

Level 46
MLC Centre
19 Martin Place
Sydney NSW 2000
GPO Box 5151
Sydney NSW 2001
DX 563
t +61 2 8116 3000
f +61 2 8116 3111
e syd@ppb.com.au
www.ppb.com.au

Offices throughout Australia.

PPB Pty Ltd trading as PPB,
ABN 67 972 164 718

Liability limited by a scheme
approved under Professional
Standards Legislation.

PPB Pty Limited trades
as trustee of a trust.
Its liability is limited to
the value of the assets
available in the trust.
It has associated but
independent entities and
partnerships. No liability of
any of the independent
entities or partnerships
shall attach to the
group as a whole or any
members of the group.



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	Book Value \$000
Units in ASF	552
Units in MPET #1 and 2	8,560
	9,112
Less Liabilities	(137)
Net Assets of Fund	8,975
Units on Issue	46,074

In relation to the above summary of financial position, we comment as follows:

- i. Units in ASF – the value of the units in ASF is dependent upon the value of the assets of that Fund. Trio is the Responsible Entity of ASF. The Administrators’ investigations to date have not clarified the existence or realisable value of the majority of the assets of ASF. Investigations are continuing however, for the purposes of this communication, we are unable to attribute any certain value to the investment. The Book Value of the investment reflects the Fund’s interest in cash assets of ASF.
- ii. Units in MPET # 1 and 2 – the trusts are principally invested in companies domiciled in Europe. On the basis that the Trustee of the Trusts has deferred redemption requests for up to 2 years, we are currently of the view that the assets are not liquid and their value uncertain. The Book Value is based upon the recorded buy price of \$7.46684/unit as at 31 December 2009..
- iii. The liabilities of the Fund are principally comprised of professional fees. These have not been clarified at this time.

Our investigation into the value and recoverability of the assets of AOEP 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

The Administrators will report further to unitholders in the event that the Court orders the winding up of the Fund and as information concerning its financial position becomes available.

Yours faithfully



N.G Singleton
Joint Administrator