



20 April 2016

The Trust Company (RE Services)
Limited
ACN 003 278 831
AFSL 235150
Angel Place
Level 12, 123 Pitt Street
Sydney NSW 2000 Australia
Telephone 02 9229 9000
www.perpetual.com.au

Dear Investor

Winding up of the Balmain Aqua High Income Trust ARSN 110 223 348 (the "Trust")

The Trust Company (RE Services) Limited ("the Responsible Entity"), the responsible entity of the Trust, hereby gives notice that the Responsible Entity intends to take steps to wind up the trust effective from 19 May 2016.

Since 2010 the Responsible Entity has operated the Trust with a view to maximising returns to investors through the active management of the Trust's loan book and via making frequent redemption payments to unitholders. Over this period the purpose of the Trust is characterised as aiming to distribute cash to unitholders and undertake the cost-effective termination of the Trust's other affairs in a timely manner. Following the sale of the final assets and the conclusion of legal proceedings brought against borrower companies, the Responsible Entity have formed the view based on the recommendation of the Investment Manager of the Trust, that the purpose of the Trust has now been accomplished, and is proposing for the Trust to be wound up in accordance with the Corporations Act 2001 and the Trust's constitution.

Unitholders' rights under the Corporations Act 2001

The Responsible Entity is permitted to wind up the Trust unless a meeting is called by members to consider the proposed winding up within 28 days of this notice.

Under Div 1 of Part 2G.4 of the *Corporations Act 2001* unitholders who together either hold at least 5% of the votes in the Trust, or a group of 100 or more unitholders, have the ability to call a meeting of the unitholders of the Trust to consider and vote on any special or extraordinary resolutions that such unitholders propose in relation to the winding up of the Trust.

If no such meeting is called within 28 days of this notice, the Responsible Entity may proceed to wind up the Trust. Accordingly, unitholders wanting to call such a meeting must do so on or before 19 May 2016 by giving a requisition to the Responsible Entity. The Trust will be wound up by the Responsible Entity if a requisition to call such a meeting by the unitholders has not been received by the Responsible Entity by this date.

Final distribution and further information

A final distribution to unitholders will be made following the wind up of the Trust. The Responsible Entity is required to complete the wind-up in accordance with clause 33 of the Trust's constitution. The Trust's constitution further provides that the net proceeds of realisation of the Trust's assets, after making allowance for all liabilities of the Trust (actual and anticipated) and meeting the

expenses of the wind up, are to be distributed pro rata to investors according to the number of units they hold.

The final distribution is expected to be paid to unitholders prior to 30 June 2016.

For further information please contact the Balmain Funds Team on 02 9232 8888 or email balmainfunds@balmain.com.au

Yours sincerely

A handwritten signature in blue ink, appearing to read 'H Treeweke', is positioned below the 'Yours sincerely' text.

Hugh Treeweke

Head of Responsible Entity Services

The Trust Company (RE Services) Limited