

## IMPORTANT NOTICE

7 January 2009

Dear Investor

### City Pacific First Mortgage Fund (Fund)

We are pleased to convey Minister Macklin's announcement of the Government's decision to exempt units in the Fund from social security deeming rules to assist investors who are income tested.

Please see a full copy of the announcement overleaf. We recommend that you consider contacting Centrelink for assistance in this regard, as follows:


- If you are currently a Centrelink Customer contact Centrelink on **132300** or visit a Centrelink office.
- If you are not already a Centrelink Customer and you now wish to claim a Centrelink payment you should call Centrelink on **132300** (pensions) or **132850** (allowances). When you call, Centrelink will advise you what documents you need to bring to your appointment.
- If you receive a pension or allowance from the Department of Veterans' Affairs, you can contact them on **133254**.

### Permanent office closures

Please note we have closed our Brisbane and Sydney offices accordingly all enquiries should be directed to our Gold Coast Client Relations Team on 13 47 69 or email [enquiries@citypac.com.au](mailto:enquiries@citypac.com.au).

Kind regards

**CITY PACIFIC LIMITED**



Lee Danahay

**Group Executive – Investor Relations**



Australian Government

Minister for Families, Housing, Community Services and Indigenous Affairs

## Media Release

### Assistance for City Pacific First Mortgage Fund pensioners

23/12/2008

The Australian Government will exempt units in the City Pacific First Mortgage Fund from social security deeming rules to assist pensioners who are income tested and who hold investments in this fund.

City Pacific has halted income distributions from mortgage funds. Many pensioners are not receiving any income from their investments in these funds.

The Government recognises that pensioners with investments in the City Pacific First Mortgage Fund may be suffering financial hardship because their income distribution has ceased.

The Government's exemption for pensioners will retrospectively take effect from 4 July 2008.

Pensioners with City Pacific first Mortgage Fund investments will not be deemed to earn a set rate of return.

Instead, actual returns, if any, will be assessed as income for the income test.

The Government understands that many pensioners and families are finding it harder to cope with cost of living increases and the impact of the global financial crisis.

The Rudd Government is delivering some immediate financial relief to pensioners and families through the Government's \$10.4 billion Economic Security Strategy. Lump sum payments of \$1,400 to singles and \$2,100 to couples have been paid from the 8 December 2008.

The Australian Government is taking steps to assist pensioners who hold adversely affected investments.

The Government has undertaken a special revaluation of all listed securities and managed investments held by pensioners, which took place from 3 November 2008, and reduced the deeming rates from 17 November 2008.

This deeming exemption for City Pacific First Mortgage Fund will cease when the fund starts paying returns or redemptions again, and will not alter the assessment of the investment under the assets test.

We will continue to support pensioners and self-funded retirees through this difficult time.

[http://www.facsia.gov.au/internet/jennymacklin.nsf/content/pacific\\_fund\\_23dec08.htm](http://www.facsia.gov.au/internet/jennymacklin.nsf/content/pacific_fund_23dec08.htm)