

**GUARDIAN TRUST UNIT-HOLDER MEETING
TO DETERMINE FUTURE OF GUARDIAN MORTGAGE FUND**

Guardian Trust is holding a meeting of registered unit-holders in the Guardian Mortgage Fund on 4 February 2009. The purpose of the meeting is to seek investor approval to change the Trust Deed and to wind up the Fund. The changes to the Trust Deed would provide Guardian Trust greater flexibility in managing the Fund for the benefit of unit holders during a winding up process. This includes allowing Guardian Trust to make partial repayments of capital.

Since the Guardian Mortgage Fund was suspended in July 2008, liquidity within the Fund has improved significantly. However, market conditions have continued to deteriorate. A combination of the impact of the global financial crisis and falling property values has created a challenging operating environment for the Fund, even though conservative lending criteria has helped protect the Fund to date. The Fund only invested in first mortgages where advances were restricted to a maximum of 60% of valuations across commercial, industrial, farming and residential sectors.

In following best practice principles, Guardian Trust has been making provisions against potential losses and is working hard to protect investors' capital. The mortgages are being managed diligently and no losses have been realised to date.

In the event that the resolutions are approved by investors, Guardian Trust will determine the capital repayment amounts and dates throughout the winding up process, depending on market conditions and the ability to liquidate loans or sell properties. It is anticipated that the first repayment would be made in the next few months, and Guardian Trust anticipates the winding up process to take between two to three years, again depending on market conditions and the ability to liquidate loans or sell properties.

Guardian Trust Managing Director Greg Campbell said, "Our priority is to preserve our investors' capital. As market conditions continue to decline, we favour a prudent and measured approach. We are communicating regularly with our clients to ensure they are kept up-to-date."

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