

*This letter should be read and understood in context with the Unitholders' Circular dated 6 November 2009<sup>1</sup>. Please see the Glossary in the Circular for definitions of defined terms.*



**MacarthurCook Investment Managers (Asia) Limited**  
(Company Registration No. 200615904N)

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(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 5 December 2006 (as amended))

16 November 2009

Dear Unitholders

- **CIT ANNOUNCEMENT HAS NO MERIT AND OFFERS NO SOLUTION**
- **CITM IS NOT A VIABLE MANAGER FOR MI-REIT**
- **WINDING UP MI-REIT IS NOT IN THE BEST INTEREST OF UNITHOLDERS**
- **VOTE “FOR”: INDEPENDENT DIRECTORS RECOMMEND YOU VOTE IN FAVOUR OF THE RESOLUTIONS AT THE EGM ON 23 NOVEMBER 2009**
- **DO NOT VOTE “AGAINST” AND RISK LOSING ALL YOUR INVESTMENT**

Cambridge Industrial Trust (“CIT”) has on 16 November 2009 made an announcement (no. 00003) in respect of MI-REIT’s recapitalisation plan and upcoming EGM on 23 November 2009. We would like Unitholders to note that:

- CIT’s announcement is NOT AN OFFER to MI-REIT Unitholders.
- CIT purchased its stake in MI-REIT after our announcement of a fully underwritten plan and is now asking you to vote against it.
- CIT has offered NO PLAN to address the very serious issues MI-REIT faces.

**On the other hand, MI-REIT’s current fully underwritten plan will resolve MI-REIT’s immediate funding issues if Unitholders vote “FOR” the EGM resolutions on 23 November 2009.**

**If Unitholders vote “AGAINST” the EGM resolutions, there is a significant risk that MI-REIT will fail.**

**CIT is merely seeking to vote down our plan so as to put MI-REIT in a position of financial distress in order to opportunistically take advantage of MI-REIT.**

**The CIT announcement has no merit and offers no solution**

CIT has proposed that Cambridge Industrial Trust Management Limited (“CITM”), the manager of CIT, be appointed the manager of MI-REIT. However, CITM has proposed no plan to resolve MI-REIT’s pressing funding obligations (due 31 December 2009) and has indicated that should it not come up with a plan, it will simply wind up MI-REIT. The Manager believes this is not in the best interest of Unitholders for the reasons outlined below.

**CITM is not a viable manager for MI-REIT**

CITM wants you to vote against the resolutions at the EGM on 23 November 2009 so that they can become the manager of MI-REIT. We believe this is not in the best interests of Unitholders as:

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<sup>1</sup> If Unitholders have any questions on the proposals or have any doubt as to the course of action they should take, they should consult independent advisers.

- CITM has proposed no plan to resolve MI-REIT's funding issues.
- CITM will have a clear conflict of interest if it were the manager of two listed real estate investment trusts ("REIT") which invest in the same asset class. In fact, a REIT manager is not allowed to manage more than one REIT.
- Unitholders should take note that Chris Calvert was previously the CEO of the manager of MI-REIT and is now the CEO of CITM.
  - Chris Calvert was the CEO of the manager of MI-REIT at the time of the purchase of 1A IBP for S\$90.2 million (current valuation S\$73.0 million).
  - Chris Calvert, as CEO of the manager of MI-REIT, did not put in place any funding for the purchase of 1A IBP at the time of signing the sale and purchase agreement for 1A IBP in August 2007, which is one of the major problems MI-REIT is currently facing.

We do not believe Unitholders should be taking advice from CITM, led by Chris Calvert. CIT does not have the money to repay MI-REIT's debt or to buy 1A IBP.

#### **Winding up MI-REIT is not in the best interests of Unitholders**

A winding up process is costly and time consuming. There is no certainty when Unitholders may receive proceeds, if any.

- No winding up process is feasible before 31 December 2009 and therefore it is likely that the MI-REIT lenders will be in control of any winding up.
- MI-REIT's lenders and the vendor of 1A IBP will get paid before Unitholders in any winding up.
- The current valuations of MI-REIT's properties are based on a "willing seller" basis where "the parties had each acted knowledgeably, prudently and without compulsion". Therefore in a forced liquidation, it is unlikely that the current valuations can be obtained.
- Trading of MI-REIT's units is likely to be suspended during a wind up process which means no liquidity for Unitholders.

**In summary, we believe that the CIT announcement does not address any of the critical issues facing MI-REIT and is without merit. On the contrary, CIT wants to vote down the resolutions without providing any viable alternative to our fully underwritten funding plan.**

**Should the resolutions be voted down, MI-REIT will be unable to meet its financial obligations due by 31 December 2009 and will be in financial distress. We believe this is the situation that CIT is trying to create in order to opportunistically take advantage of MI-REIT. We believe that this is not in the best interests of MI-REIT Unitholders.**

**The Transactions that Unitholders will be voting on at the EGM on 23 November 2009 are the most appropriate solution for MI-REIT and its Unitholders. It is very important that you vote "FOR" all the resolutions, as recommended by the Independent Directors.**


	Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For	Against	Number of Votes For	Number of Votes Against
1	To approve the AMP Capital Investment (Ordinary Resolution)	✓		✓	
2	To approve the Cornerstone Investments (Ordinary Resolution)	✓		✓	
3	To approve the AIMS Investments (as part of the Cornerstone Investments) (Ordinary Resolution)	✓		✓	
4	To approve the Rights Issue (Ordinary Resolution)	✓		✓	
5	To approve the Acquisition (Ordinary Resolution)	✓		✓	

**We aim to provide a safe and secure investment for you.**

Yours faithfully,  
MacarthurCook Investment Managers (Asia) Limited  
Manager of MacarthurCook Industrial REIT



George Wang  
Chairman



Nicholas McGrath  
Chief Executive Officer

If you would like to ask any questions about the EGM, call us on our **hotline +65 6309 1050** or email your questions to us at **EGM@macarthurcook.com.sg**.

### **Important Notice**

*Unitholders should be cautioned that the Transactions are subject to approval by Unitholders. Unitholders are advised to exercise caution in their dealings in MI-REIT units and to refrain from taking any action in relation to their MI-REIT units which may be prejudicial to their interests.*

*Unitholders are advised to seek independent advice from their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser should they be in any doubt as to the contents of the Announcement or the action they should take. Timely announcements will be released in the event of any further material developments.*

*This letter is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of MI-REIT is not necessarily indicative of the future performance of MI-REIT.*

*The value of Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.*

*Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.*

*This letter may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.*