

26 February 2010

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Dear «Salutation»

Re: Agricultural Income Trust Fund 1 ARSN 093 804 276 (AIT) Management Fee Changes

Rural Funds Management Limited (RFM) wishes to advise you, as a Unitholder in the AIT, that as of 1 April 2010 the management fees paid by AIT to RFM for its managerial services will be amended.

RFM has recently undertaken a review of the management fees it receives from the funds it manages. As part of this process, the Management Fee paid by AIT has been revised to include separate fund management and asset management fees. The purpose of this change to the fee structure of AIT is to better reflect the distinction between the different managerial roles that RFM undertakes in the management of AIT. RFM allocates significant resources in actively managing the assets and operational aspect of AIT. This is not recognised by the existing fund management fee.

The current fund Management Fee is 1.50% p.a. of the value of gross assets. As of 1 April 2010 the Management Fee will be reduced to 0.80% p.a. of the value of gross assets, and an Asset Management Fee will be charged at the lesser of 5.00% p.a. of operating expenses or 0.50% p.a. of the gross value of assets.

RFM has reduced the total fee by a minimum of 0.2% of the value of gross assets in recognition of the difficult industry conditions being experienced by the AIT.

The fees under the new structure will, as is the case currently, be paid out of the assets of the AIT and are not a direct cost to Unitholders. RFM anticipates no financial detriment to investors as a result of this change in fee structure and considers the change will not adversely affect Unitholders' rights.

Further information is available on the RFM website at www.ruralfunds.com.au or by contacting Investor Services on 1800 026 665 or investorservices@ruralfunds.com.au.

Yours sincerely



Jane Barter
Manager – New Product Development & Investment Services