

9 July 2010

Dear Investor

Centro MCS 20 – Income Tax Liability and Increased Distribution Forecast

I write to you on behalf of Centro MCS Manager Limited, the Responsible Entity (RE) of Centro MCS 20 (the Syndicate).

As previously reported in the Centro MCS Annual Review 2009, we closed out the Syndicate's equity hedge position during July 2009 which provided NZ\$3.57 million to the Syndicate. This income was then used to reduce the Syndicate loan from NZ\$30.03 million to NZ\$26.46 million resulting in a positive impact to the Syndicate's net asset backing of 1.7 cents.

The additional NZ\$3.57 million of income resulting from the equity hedge close out has increased the forecast taxable income of the Syndicate for the 2010 financial year to approximately \$4.2 million. Based on the forecast taxable income, investors on the top marginal tax rate of 46.5% will have a forecast tax liability equivalent to approximately 9.3 cents per unit for the 2010 financial year.

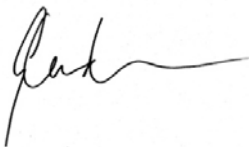
In order to assist investors to meet the potential tax liability for their share of the taxable income of the Syndicate in the 2010 financial year, the RE has resolved to increase the Syndicate's distribution from the forecast 7.5 cents per unit to 9.5 cents per unit for the 2010 financial year. This means the final June quarter distribution, to be paid on 26 July 2010 will be 3.875 cents per unit. We expect this will be sufficient to cover the tax liability for all Syndicate investors on the top marginal tax rate or less.

Further details on the taxable components of the distribution will be provided in the 2010 annual tax statement.

Investor Communication

Please do not hesitate to contact Centro MCS Investor Services if you have any queries or require further clarification on the above.

Yours faithfully



Gerard Condon
General Manager – Syndicate Funds Management

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