

**pfmf**  
PACIFIC FIRST MORTGAGE FUND

PFMF Investor Committee  
Meeting #7 Report

## PFMF Investor Committee – Meeting #7 Report

### REPORT TO UNITHOLDERS INVESTOR COMMITTEE MEETING HELD ON 5 MAY 2011

#### Formalities

Meeting was formally opened by the Chairman and everyone was advised of their obligations as participating members of the Investor Committee. The Chairman also confirmed that the purpose of the Meeting is to allow members to engage in open discussion with a view to representing the interests of all Unitholders.

#### Fund Report:

- Marcus Fazzolari provided an update of the Fund's orderly asset realisation program.
- Slow down of the Queensland property market is continuing to affect the rate at which assets are being realised.
- BT doesn't expect the property market (particularly Gold Coast and South East Queensland) to improve in the short to medium term.
- Asset holding costs (including but limited to statutory rates and taxes) continues to put a significant liquidity strain on the Fund. Each asset continues to be reviewed and assessed to ensure the best possible outcome is achieved for the Fund.
- BT still remains determined to target a capital return of \$295 million and will do all it can to achieve this in a challenging market.

#### RE report

- Trevor Gibson provided an update on the hardship claims received for the period ending 31 March. The available liquidity of the Fund has meant that the hardship claims have been pro rated. Payments are expected to be made in the week beginning Monday 9 May.

#### Litigation update

- An update on the Fund's litigation actions was provided detailing the current status of the actions.
- Following the issue of production orders, in excess of ten thousand documents have been issued to the Fund's lawyers. Public examinations are scheduled to occur mid this year.

#### Fund strategy

- Marcus Fazzolari provided a progress report on the targeted strategy for Martha Cove.
- Appropriate structures and options are currently being explored that would allow for individual participation in the Martha Cove development.

#### IC Members prohibition on dealing in PFMF units

- Section 5.0 of the Investment Committee Charter, which prohibits IC Members from dealing in PFMF units (ordinary and litigation) during their time as a committee member was approved.

**Meeting Date:**

Friday 5 May 2011

**Location:**

AMAL Asset Management boardroom, Sydney  
NSW

**Members Present:**

Ken Atchison (Chairman of the Committee)  
Rodger Bacon – Deputy Chairman, Trilogy  
Michael Holm – Executive Chairman, Balmain  
Phil Ryan – Managing Director, Trilogy  
Graham Kells – Unitholder  
Peter Cranna – Unitholder  
Derek Manoy – Unitholder  
Vadim Shev – Unitholder  
Peter Fardoulys – Unitholder  
Julian Brown – Unitholder  
John Rudajs – Unitholder

**In Attendance:**

Trevor Gibson – Director - Distribution, Trilogy  
Marcus Fazzolari – Manager - Structured Finance,  
Balmain  
Jodie Leckenby – Communications & Marketing  
Manager, Trilogy (minute taker)  
Seamus O'Mara – Analyst - Structure Finance,  
Balmain

**Next Meeting:**

The next meeting of the Investor Committee will  
be held in Sydney on 23 August, 2011

**Media Requests:**

All representatives of the media are required to  
contact the Chairman, Mr Ken Atchison on  
(03) 9642 3835.

All statements and releases regarding the Investor  
Committee are made jointly by its members and are  
issued by its Chairman Mr Ken Atchison.



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