

17 November 2011

Dear Unitholder

## Bransgrove Proposal

We are aware that Pacific First Mortgage Fund (**PFMF** or **Fund**) Unitholders have received correspondence from Matthew Bransgrove, of Bransgroves Lawyers, enclosing Notice of Meeting documents for a meeting of PFMF Unitholders (**Meeting**) scheduled for 9 December 2011.

The meeting has not been convened by Trilogy Funds Management Limited (**Trilogy**) or Balmain Trilogy Investment Management Pty Limited (**Balmain Trilogy**) but rather has been convened by Matthew Bransgrove on behalf of an undisclosed group of unitholders.

Matthew Bransgrove is Phil Sullivan's lawyer.

The Notice of Meeting (**NoM**) sets out two resolutions which propose the removal of Trilogy as responsible entity of the Fund and the appointment of an alternative responsible entity, Stacks Managed Investments Limited (**Bransgrove Proposal**).

There are six key reasons why Unitholders should reject the Bransgrove Proposal:

1. Affiliates of Phil Sullivan will gain control of your Fund
2. It puts in doubt litigation against those responsible for causing your financial losses
3. The NoM is defective and is inaccurate, incomplete and liable to mislead or deceive
4. The Bransgrove Proposal does not contain a comprehensive strategy for the Fund
5. The costs and expenses of managing the Fund are completely uncertain
6. How can you trust the Bransgrove Proposal? Will it benefit Bransgrove and his associates to the disadvantage of Unitholders?

The enclosed '**SIX REASONS WHY YOU SHOULD REJECT THE BRANSGROVE PROPOSAL**' expands on the above points and set out more detail as to why Unitholders should reject the proposal.

## What should Unitholders do?

Unitholders should ignore all correspondence received from Stacks, Bransgrove, Sullivan or anyone else associated with the Bransgrove Proposal.

**Trilogy and Balmain Trilogy recommend that you vote:**

**AGAINST resolution 1**

**AGAINST resolution 2**

by completing the enclosed YELLOW proxy form and returning the proxy form to Computershare in the enclosed reply paid envelope or by any of:

**MAIL:** Computershare Investor Services Pty Limited  
GPO BOX 2062 Melbourne  
Victoria 8060 Australia

**FAX:** +61 3 9473 2145

**EMAIL:** [quorum@computershare.com.au](mailto:quorum@computershare.com.au)

**HAND:** Computershare Investor Services Pty Limited  
452 Johnston Street Abbotsford, Victoria

**If you wish to make a valid vote at the Meeting DO NOT USE the proxy form supplied by Bransgrove.**

Please call the Balmain Trilogy Client Services Team on 1800 194 500 if you have any questions about the Fund or as to what action you should take.

Yours sincerely



**Rodger Bacon**  
Joint Chief Executive



**Andrew Griffin**  
Joint Chief Executive