

**pfmf**

PACIFIC FIRST MORTGAGE FUND

PFMF Investor Committee  
Meeting #5 Report

# PFMF Investor Committee - Meeting #5 Report

## REPORT TO UNITHOLDERS

### INVESTOR COMMITTEE MEETING HELD ON 12 NOVEMBER 2010

#### 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.
- The Chairman introduced Derek Manoy as a new committee member.
- He also introduced Stephen Tunley (CEO of Balmain Funds) and explained his background and experience in funds management and work with the Balmain funds.

#### Fund update

- There was a general discussion around the outcome of the September Meeting of Unitholders. With the strategy not being approved by the unitholders it was decided that two key points needed further discussion; how to develop assets to improve return for unitholders and how to execute communication with unitholders going forward.

#### Communication with unitholders

- It was agreed that communication with unitholders needed to be improved so that a clear message could be conveyed to all.
- The committee suggested an 'Investor Committee' section of the newsletter be drafted by committee members. Balmain Trilogy agreed to this.

#### Litigation

- A considerable amount of time was spent discussing the strategy for any future litigation against City Pacific and involved parties.
- It is anticipated that leave from ASIC to begin examinations into involved parties will be granted in the New Year.
- Litigation funder IMF (Australia) will cover the costs of the entire suit if the cases prove unsuccessful.
- Legal cases could take 5-6 years, unless probable cause can be established where upon the relevant case could settle earlier.

#### Martha Cove

- There was a lengthy discussion on Martha Cove and the development of assets on site and the strategy surrounding this.
- It was agreed that the Investor Committee would visit the Martha Cove site in the New Year and that an information session would also be held for unitholders to attend.

#### Continuing appointment of Chair and IC members

- The members held a unanimous vote for Ken Atchison to remain as Chairman for the coming year.
- It was also agreed that all present and non-present members of the IC would remain as representatives for the Unitholders of PFMF for the coming year.

**Meeting Date:**

12 November 2010

**Location:**

Balmain Corporation Building, Sydney NSW

**Members Present:**

Ken Atchison (Chairman of the Committee)  
Rodger Bacon – Deputy Chairman, Trilogy  
John Barry – Executive Director, Trilogy  
Andrew Griffin – Chief Executive Officer, Balmain  
Graham Kells – Unitholder  
Vadim Shev – Unitholder  
Peter Fardoulis – Unitholder  
Peter Cranna – Unitholder  
Derek Manoy – Unitholder

**In Attendance:**

Stephen Tunley – Chief Executive Officer,  
BalmainFunds  
Phillip Ryan – Managing Director, Trilogy  
Marcus Fazzolari – Manager Structured Finance,  
Balmain  
Seamus O’Mara – Analyst – Structured Finance,  
Balmain (Minute Taker)

**Next Meeting:**

The next meeting of the Investor Committee will be held in Sydney on 18 March 2011.

**Media Requests:**

All representatives of the Media are required to contact the Chairman, Mr Ken Atchison for all press related matters (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.



balmainTRIOLOGY

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