

12 December 2013

Dear Member

**Banksia Mortgage Fund (ARSN 089 852 246) (BMF)**

**Responsible Entity: Banksia Mortgages Limited (BML)**

I refer to my letter to you of 6 December 2013 in which I explained that BML was working towards completion of the sale of loans (other than loans with reference numbers NEP0012B and RIP0007B) in the BMF portfolio (***Sold Loans***).

I am pleased to inform you that completion of the sale occurred today. BML will very shortly distribute to each retail member with an investment in Sold Loans 100% of their principal and accrued interest outstanding in respect of those loans calculated as at 31 October 2013 (***Final Payment***).

**Do I need to do anything now?**

You do not need to do anything now. Final Payment distributions will be made by electronic funds transfer, and should be available in your account within the next few business days. A written final statement regarding your BMF investment will follow by post.

Please note that no assets of BMF other than Sold Loans were offered for sale by BML. If you have principal that was invested by BML in a cash management account with BSL as at 25 October 2012, that investment is not the subject of the sale.

Unless you have principal that was invested in a cash management account with BSL as at 25 October 2012, or have investments in Loans NEP0012B or RIP0007B then, upon receipt of your Final Payment, you will cease to be a member of BMF.

If you have principal invested in a cash management account, or in Loans NEP0012B or RIP0007B, BML will keep you informed with developments with respect to those investments as they occur.

Yours faithfully



Warren Shaw  
Chief Executive Officer