



INFORMATION FOR INVESTORS

Following the Federal Government's decision to guarantee all funds in Banks, Building Societies and Credit Unions, Richmond Mortgage Fund, together with many other similar funds in Australia, has seen an increase in the level of redemptions and a diversion of new funds to institutions covered by the guarantee.

Together with the other two regional Mortgage Trusts, and with many of the major Mortgage Trusts in Australia, the Directors of Ballina Mortgage Management Limited, the Responsible Entity for Richmond Mortgage Fund, have determined to defer the payment of redemptions until the Fund is able to meet redemption requests in an orderly manner.

In the interest of all investors, the redemption period has been extended for an initial period of up to 180 days.

The Directors are confident of the quality of the Fund's mortgage portfolio which will be continued to be actively managed to ensure borrowers meet both interest and loan repayment obligations.

Distribution of income will be determined at the end of each quarter during the deferred redemption period.

The Directors would like to reiterate the investments of the Fund remain sound and do not anticipate any loss of capital for investors. The deferring of redemptions is the result of forces and circumstances beyond the control of the Directors.

Each of you will be receiving a personal letter from the Chairman, David Short.

Ian Cardow

Managing Director
21 October 2008
Phone: 6686 6055