

PARK RISE CONSULTING LIMITED

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PROPERTY FINANCE SECURITIES LIMITED – AGM 2011

FINANCING ADVISORS REPORT TO DEBENTURE HOLDERS.

At a Special General Meeting of Property Finance Securities Limited (PFSL) held on 29 June 2009 the Debenture Holders appointed Park Rise Consulting Limited to the role of Financing Advisor as described in rule 12.6 of the moratorium rules.

The Financing Advisor's role is to;

- a) advise and agree on strategies relating to the recovery of the Financing Receivables; and
 - b) advise and agree on any intervention actions agreed relating to individual assets held by various securitised trusts within the Securitisation Programme; and
 - c) report to the Monitor and the Trustee the details of each Agreed Recovery Strategy and any amendment to an Agreed Recovery Strategy.
- a) The Financing Advisor has reviewed and approved (and on occasions declined) strategies for each of the assets held directly on the balance sheet of the company that have been defined as 'non-securitisation' assets. In each case a strategy has been agreed even if the strategy is to do nothing. These strategies are reviewed on a regular basis and updated as and when necessary. In this report, I have not attempted to review the success or otherwise of each strategy except to say that after a slow start in the early period of the moratorium, good progress has been made in clearing these assets from the balance sheet, unfortunately not always at full value.
- b) The Financing Advisor has reviewed a number of intervention strategies for assets held in various Securitisation Trusts, and in particular the CM Trust. Progress on realisation of these assets continues to be frustratingly slow given the nature of the lending and the differing objectives of the Securitisation Trustee verses the objectives of PFSL.
- c) Reporting is undertaken on a case by case basis and as required. There is a good working relationship with the Managing Director, the moratorium Monitor and the Trustee.

The role of the Financing Advisor has been one of a completely reactive position however during this year there has been a pleasing commitment from the Company to involve the Financing Advisor in formulating strategies for individual assets and groups of assets. These have then been followed up with specific proposals to the Financing Advisor for his consideration and approval in response to written proposals submitted by the Company.

M J Greer
Park Rise Consulting Limited.