

RFM RiverBank ARSN 112 951 578

Fund Update - May 2009

Investment Objective

RFM RiverBank (RBK) is a unit trust established to acquire land and water assets in rural and regional Australia and lease these assets to selected counterparties to provide investors with competitive risk-adjusted returns.

The primary operation of RBK is the leasing of horticultural land, infrastructure and water assets near Hillston NSW to third parties including the Great Southern 2007 and 2008 Almond Income Projects.

RBK is currently closed to new investment.

Performance Update

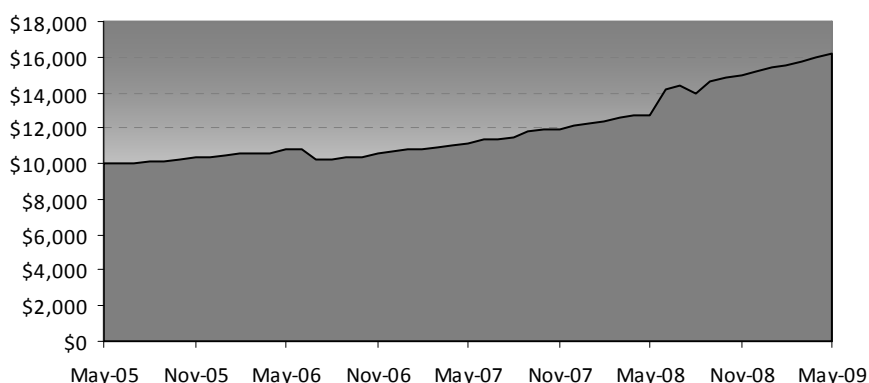
Past performance is not a reliable indicator of future performance.

Returns (as at 31 May 09)	1 mth	3 mth	6 mth	1 yr	2 yr*	3 yr*	Inception*
Distribution Returns	0.00%	1.84%	3.82%	8.86%	8.71%	7.69%	5.75%
Growth Returns	1.78%	2.82%	4.48%	18.45%	10.82%	5.98%	6.54%
Total Returns	1.78%	4.66%	8.30%	27.31%	19.53%	13.66%	12.29%
Grossed Up Distribution Returns	0.00%	1.84%	3.82%	9.11%	10.03%	8.53%	6.37%
Grossed Up Total Returns ¹	1.78%	4.66%	8.30%	27.55%	20.86%	14.50%	12.90%

* Annualised figures.

¹ Franking credits attributed to the distribution from the period 1 July 2007 onwards are based on unaudited accounts and therefore subject to change.

Growth of \$10,000 invested since inception²



² Inception date is May 2005. Values are based on post fee performance returns, inclusive of franking credits with distributions reinvested.

Agricultural Market Commentary

As many developed nations have entered recession, commodity prices have been unable to regain the upward momentum they enjoyed in 2007 and early 2008. Through the first quarter of 2009, corn futures fell approximately 5%, wheat futures fell 13%, and soybean futures declined 3%. Although commodity prices continued to decline slightly, the dramatic drops experienced during the latter half of 2008 have ceased. Additionally, these prices remain at historically high levels, with most commodities achieving stronger prices than they did three years ago.

The Australian Dollar (AUD) remained steady against the US Dollar through the first quarter. However, the AUD has since rallied with investors moving money out of US Treasuries and other traditional havens in favour of higher-yielding assets in commodity rich countries such as Australia. There has also been an increase in risk appetite. However, the rally in the AUD may be tempered with concerns that its strength may hurt Australia's trade balance and be a drag on an economy weakened by the Global Financial Crisis. This in turn may cause the Reserve Bank to consider intervening in currency markets.



Forecasts from the Australian Bureau of Agricultural and Resource Economics (ABARE) indicate that Australia's farm exports are growing strongly despite the global economic crisis. In its latest forecasts, ABARE suggests that rural exports will rise by 12.0% and top \$30bn in 2008-09, as a result of increased crop yields and a weaker Australian dollar. The combination of historically high commodity prices and a weaker Australian dollar has generated excellent terms of trade for Australian farmers. ABARE forecasts suggest that these terms of trade will persist, with rural exports expected to continue increasing through 2009-10.

In response to the falls in commodity prices experienced during late 2008, plantings of many key crops are expected to be reduced during the 2009 season. Weather events are also impacting upon global harvests, with Argentina, the world's third largest soybean producer, lowering harvest estimates as a result of severe drought. Additionally, the Argentinean drought is set to reduce wheat plantings, while US winter wheat crops have suffered freeze damage. Supply constraints such as these have the potential to place upward pressure on commodity prices, as demand remains strong.

Fund Commentary

As a consequence of the appointment of Receivers and Administrators to the Great Southern Limited Group (GSL), RFM RiverBank is faced with uncertainties surrounding the lease agreement that exists between RiverBank and Great Southern Managers Australia Limited (GSMAL). A total of 1,544 hectares of almond orchards have been developed and leased to GSMAL. It is probable that the Receivers of Great Southern will default on the leases, leaving RiverBank with immature almond orchards that require operating capital to develop to the point where they are profitable. This exposes RBK to cash flow and asset valuation risk.

GSFM management is currently negotiating with the Receivers a management buyout that would separate the ownership of GSFM from GSL. Concurrent with the management buyout is a proposal that seeks to mitigate the economic dependency and exposure that RiverBank and other funds have to GSL. If GSFM is successful, a capital raising for RiverBank will be offered that will be non-dilutionary to current investors and the solution to RiverBank's capital requirements.

The management buyout proposal expects to include an offer to GSMAL almond Growers that would enable a substantial proportion of the orchards to operate subject to the existing lease agreements.

Following completion of the management buyout, GSFM intends to continue with the purchase of the Moorral property in Hillston, NSW from Lachlan Farming Ltd. The Moorral property forms part of the almond orchards that RiverBank sub leases to third parties.

A distribution of \$0.0220 per unit with a record date of 31 March 2009 was paid to investors in May 2009. The payment of the distribution with a record date of 30 June 2009 is under review by GSFM Directors. The Directors are cognisant of the financial dependency of RiverBank to GSL and have developed a longer term strategy to ensure continuity of distributions following the separation of GSFM from GSL.

Fund Facts as at 31 May 2009

Fund Size	\$44.2m
Inception	May 2005
Unit Price	\$1.2497 ³
Number of Investors	236

³ 15 May 2009 Net Asset Value (NAV) Unit Price

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