

August 1, 2006

RSM Richter Inc.

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Trustee's Report on Cash-flow Statement (Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

The attached statement of projected cash flow of Retrocom Growth Fund Inc., as of the 1st day of August, 2006, consisting of a Cash Flow Statement for the period August 1, 2006 to November 3, 2006, has been prepared by the management of the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2 to 8.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

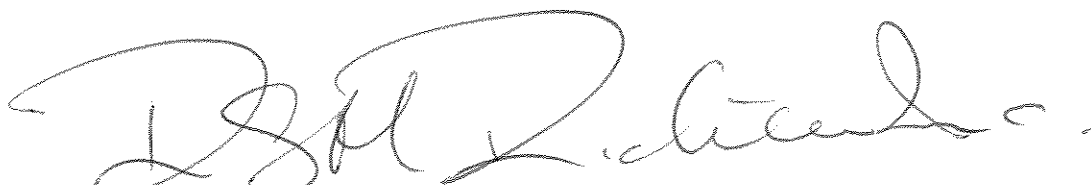
Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated this 1st day of August, 2006.

A handwritten signature in dark ink, appearing to read "RSM Richter Inc.", with a large, stylized initial "R" and a trailing flourish.

**RSM RICHTER INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE OF
RETROCOM GROWTH FUND INC.
AND NOT IN ITS PERSONAL CAPACITY**

Retrocom Growth Fund Inc.
Projected Statement of Cash Flow
For the Period August 1, 2006 through November 3, 2006
Unaudited
(\$)

	Notes	Amount
CASH INFLOWS		
Retrocom Mid-Market REIT share sale	2	1,615,000
Retrocom Mid-Market REIT distribution	3	13,660
Sale of Real Estate Interests	4	3,582,500
TOTAL CASH INFLOWS		<u>5,211,160</u>
CASH OUTFLOWS		
Interest payments	5	47,473
Secured Debt Repayment	6	2,862,533
Professional Fees - Trustee	7	174,750
Professional Fees - Legal	7	150,000
Miscellaneous	8	5,533
TOTAL CASH OUTFLOWS		<u>3,240,289</u>
NET CASH FLOW		<u>1,970,871</u>
OPENING CASH BALANCE		693,709
NET CASH FLOW		1,970,871
ENDING CASH BALANCE		<u>2,664,580</u>

The above financial projections are based on management's assumptions detailed in Exhibit "A-1"
The note references correspond to the assumption numbers shown in Exhibit "A-1"

RETROCOM GROWTH FUND INC.

Per

Date

RSM RICHTER INC.

Per

Date

Retrocom Growth Fund Inc.
Notes to Projected Statement of Cash Flow
For the Period August 1, 2006 through November 3, 2006
Unaudited
(\$)

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the cash flow of Retrocom Growth Fund Inc. (the "Fund") for the period August 1, 2006 to November 3, 2006 (the "Period") in regard to its proposal proceedings under the Bankruptcy and Insolvency Act. The projected cash flow reflects the Fund's planned course of action during the Period. The underlying assumption is that the Fund will attempt to realize on its remaining investments via a sale process. The investments will be closely monitored to ensure that further deterioration does not occur.

The projected cash flow statement has been prepared based on assumptions developed and prepared by the Fund which are normally categorized into two groups:

- Hypothetical assumptions; and
- Most probable assumptions.

Hypothetical Assumptions

2. The sale of the Retrocom Mid-Market REIT ("RMMR.UN") shares is based on the assumption that the shares will sell for net proceeds of \$6.46 per share which is expected to remain materially consistent through to the time of the sale.

3. Income distributions from RMMR.UN shares are based on the scheduled sale dates and current income distribution levels which are expected to remain materially consistent through to the time of the share sale.

Most Probable Assumptions

4. Amount reflects the net proceeds of the sale of three RGF real estate properties, two of which are subject to purchase and sale agreements.

5. Interest payments are estimated based on the schedule of repayments of secured debt. The dates of these repayments are subject to minor changes based on negotiations between the Fund and the Purchaser of the investments.

6. Secured debt will be repaid as the proceeds from the sale of the investments become available.

7. Professional fees include the fees of the Proposal Trustee, and legal fees associated with the Fund's restructuring proceedings.

8. Miscellaneous costs are based on historical results.

RETROCOM GROWTH FUND INC.

Per

Date

RSM RICHTER INC.

Per

Date