

NOTICE EXPLAINING INSTRUMENT OF RELIEF

On 14 September 2022, the Australian Securities and Investments Commission (“ASIC”), on my application, issued instrument 22-0765 (“the Instrument”) under subsections 111AT(1) and 601QA(1) of the *Corporations Act 2001* (“the Act”) granting LM Investment Management Limited (in liquidation) (receiver appointed) (“LMIM”), in its capacity as responsible entity (“RE”) of the LM First Mortgage Income Fund (“FMIF”) an exemption from compliance with its obligations under:

1. the disclosing entity provisions in Part 2M.3 of the Act in relation to:
 - (a) the half-year of the FMIF ending 31 December for each of the half-years from 2016 to 2023 inclusive;
 - (b) the financial year of the FMIF ending 30 June for each of the financial years from 2016 to 2023 inclusive; and
2. section 601HG of the Act in relation to a financial year of the FMIF ending 30 June for each of the financial years from 2016 to 2023 inclusive.

(“Financial Reporting and Audit Obligations”)

A copy of the Instrument is available on the website www.lmfimf.com. The purpose of this Notice is to explain the effect of the Instrument, as required by paragraph 5(a) of the Instrument.

There would be significant costs associated with the FMIF complying with the Financial Reporting and Audit Obligations on an ongoing basis, and I applied for ASIC to grant relief in order to minimise that cost to the FMIF.

The disclosing entity provisions in Part 2M.3 of the Act require LMIM as RE of the FMIF to:-

1. prepare a financial report for the FMIF for each financial year, and each half-year;
2. prepare a directors’ report for the FMIF for each financial year and each half-year;
3. have the financial reports audited, and obtain an auditor’s report;
4. provide the financial reports, the directors reports, and the auditors reports to members and lodge the reports with ASIC.

Section 601HG of the Act requires LMIM as RE of the FMIF to engage an auditor to audit the FMIF’s compliance with its compliance plan and prepare an audit report, each financial year.

LMIM as RE of the FMIF is exempt from its obligation to comply with these Financial Reporting and Audit Obligations, for the relevant financial years and half-years specified in the Instrument, so long as it complies with the conditions of the relief granted by the Instrument.

The conditions of the relief are satisfied if I:

1. publish in a prominent place on the website www.lmfmf.com a copy of the Instrument, accompanied by a notice explaining the relief granted by the Instrument;
2. prepare and make available to members within three months after the end of each “relevant period” of six months, starting on 1 January 2022, a report for the relevant period which includes certain specified information about:
 - (a) the progress and status of the winding up of the FMIF;
 - (b) the financial position of the FMIF as at the last day of the relevant period;
 - (c) financial information about receipts for the FMIF during the period;
 - (d) information about the value of the FMIF’s property and the estimated return to members of the FMIF;
3. maintain adequate arrangements to answer within a reasonable period of time and without charge to the member, any reasonable questions asked by members of the FMIF about the winding up of the FMIF.

Compliance with these conditions will ensure that investors are kept informed of the progress and status of the winding up and the financial position of the FMIF.

If any member of the FMIF has any questions about the effect of the Instrument, please contact Nigel Wenck or Jay Brown of this office on (07) 3237 5999 or email enquiries@lmfmif.com.au.



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David Whyte, Court-Appointed Receiver
15 September 2022