

SUPREME COURT OF QUEENSLAND

REGISTRY: Brisbane
NUMBER: 3508 of 2015

IN THE MATTER OF LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION) (RECEIVERS APPOINTED) ACN 077 208 461

First Applicants: JOHN RICHARD PARK AND GINETTE DAWN MULLER AS LIQUIDATORS OF LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION) (RECEIVERS APPOINTED) ACN 077 208 461 THE RESPONSIBLE ENTITY OF THE LM FIRST MORTGAGE INCOME FUND ARSN 089 343 288

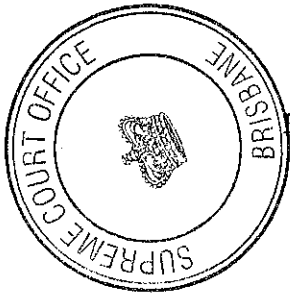
AND

Second Applicant: LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION)(RECEIVERS APPOINTED) ACN 077 208 461 THE RESPONSIBLE ENTITY OF THE LM FIRST MORTGAGE INCOME FUND ARSN 089 343 288

AND

Respondent: DAVID WHYTE AS THE PERSON APPOINTED TO SUPERVISE THE WINDING UP OF THE LM FIRST MORTGAGE INCOME FUND ARSN 089 343 288 PURSUANT TO SECTION 601NF OF THE CORPORATIONS ACT 2001

This document has been amended this 16th day of December, 2015 in accordance with the order of Jackson J dated 4 December, 2015.
Russells, Solicitors for the Applicants



16 DEC 2015

FURTHER AMENDED ORIGINATING APPLICATION

A. DETAILS OF APPLICATION

This Application is made under Subsections 511(1) and 601NF(2) of the *Corporations Act* 2001 ("the Act").

On the facts stated in the supporting Affidavits, the Applicants seek:-

FURTHER AMENDED ORIGINATING APPLICATION

Filed on behalf of the Applicants

Form 2 (v.2) Rule 2.2

Russells
Solicitors
Level 18
300 Queen Street
BRISBANE
Phone: 07 3004 8888
Fax: 07 3004 8899

P20150297_070

-
1. Directions as to how the LM First Mortgage Income Fund ("FMIF") is to be wound up in the circumstances of:-
 - (a) the orders of Dalton J in proceeding number 3383 of 2013 in this Honourable Court made on 21 August, 2013 and the specific powers granted to the Respondent therein;
 - (b) the provisions of the *Corporations Act 2001*;
 - (c) the obligations of the Second Applicant ("the Trustee") as responsible entity of the FMIF; and
 - (d) the obligations of the First Applicants ("the Liquidators") as liquidators of the responsible entity of the FMIF.

 2. Directions, pursuant to subsections 511(1) and 601NF(2) of the Act, as to whether the Liquidators are, in the winding up of the Trustee, and of the FMIF, responsible for and shall discharge the functions, duties and responsibilities set out in Schedule 1.

 3. Directions, pursuant to subsections 511(1) and 601NF(2) of the Act, as to whether the Trustee is, in the winding up of the FMIF, responsible for and shall discharge the functions, duties and responsibilities set out in the Schedule 2.

 4. An order that the Liquidators' remuneration, costs and expenses of discharging such functions, duties and responsibilities (including in respect this application) shall be paid from the Scheme Property of the FMIF.

 5. Such order as to the Respondent's remuneration, costs and expenses as may be appropriate.

 6. Such further or other order or relief as the Court thinks fit.
-

7. A direction, pursuant to section 96 of the Trusts Act 1973 ("the Trusts Act") and/or pursuant to subsection 449E of the Act, that the remuneration and expenses of the First Applicants as administrators of the Second Applicant in the sum of \$2,185,229.81 (plus GST), from 19 March, 2013 to 31 July, 2013 shall:-

- (a) as to the sum of \$1,233,134.81 (plus GST), be borne by the FMIF and:-
- (i) the LM Cash Performance Fund ARSN 087 304 032 ("CPF");
 - (ii) the LM Currency Protected Australian Income Fund ARSN 110 247 875 ("CP-AIF");
 - (iii) the LM Institutional Currency Protected Australian Income Fund ARSN 122 052 868 ("ICP-AIF");
 - (iv) the LM Australian Income Fund ARSN 133 497 917 ("AIF");
- and
- (v) the LM Australian Structured Products Fund ARSN 149 875 669 ("ASPF"). (collectively, "the Other Funds")

and paid from their respective Scheme Property, as set out in the attached Schedule 3 (which reflects work directly referable to the Scheme Property of the FMIF and the Other Funds); and

- (b) as to the balance, \$952,095.00 (plus GST), be borne by the FMIF and the Other Funds, and paid from their respective Scheme Property, as set out in the attached Schedule 4 (which is in proportion to the capital contributed to such Scheme Property).

8. In the alternative to paragraph 7 hereof, a direction that such remuneration and expenses shall be borne by the FMIF and the Other Funds, and paid from their respective Scheme Property in such proportion as the Court deems fit.

9. A direction, pursuant to section 511(1) of the Act, that the First Applicants' remuneration be determined and fixed in the amount of \$2,210,917.81 (plus GST) for

their role as liquidators of the Second Applicant as responsible entity of the FMIF and the Other Funds for the period 1 August, 2013 to 30 September, 2015.

10. Further, a direction, pursuant to section 96 of the Trusts Act 1973 and/or pursuant to subsection 511(1) of the Act, that the remuneration of the First Applicants as liquidators of the Second Applicant, as determined and fixed pursuant to paragraph 9 herein, shall for the periods set out in the attached Schedules 5 and 6:-

(a) as to the sum of \$1,559,479.81 (plus GST), be borne by the FMIF and the Other Funds and paid from their respective Scheme Property, as set out in the attached Schedule 5 (which reflects work directly referable to the Scheme Property of the FMIF and the Other Funds):

(b) as to the balance, \$651,438.00 (plus GST), be borne by the FMIF and the Other Funds, and paid from their respective Scheme Property, as set out in the attached Schedule 6 (which is in proportion to the capital contributed to such Scheme Property).

11. In the further alternative to paragraph 10 hereof, a direction that such remuneration and expenses shall be borne by the FMIF and the Other Funds, and paid from their respective Scheme Property in such proportion as the Court deems fit.

12. An order that the remuneration and expenses of the First Applicants in the winding up of the Second Applicant (as may be approved from time to time) shall be borne by and paid by the FMIF and the Other Funds in a proportion to be determined in the same manner as that which the Court directs their remuneration to be borne and paid pursuant to paragraph 10 herein.

13. Such further or other orders as may be appropriate.

14. The costs of this application, insofar as they relate to the orders sought by paragraphs 7 to 13 herein, shall be borne by and paid by the FMIF and the Other Funds in the same proportion in which the remuneration referred to in paragraph 12 herein is to be paid.

BY WAY OF INTERLOCUTORY RELIEF:-

15. That service of this Further Amended Originating Application under s.96 of the Trusts Act be effected on the members of the Other Funds as follows:-

- (a) by the First Applicants uploading to the website www.lminvestmentadministration.com copies of this application, the statement of facts to be filed, the Notice to Members in the form of Schedule 7 to this application ("the Notice"), any order made as to service and the substantive affidavits (including all the exhibits) that the First Applicants intend to rely upon in support of the Application;
- (b) by sending by email to those members of the Other Funds, for whom an email address is recorded, the Notice and that they may view all substantive Court documents upon which the First Applicants intend to rely in support of the relief sought by paragraphs 7 to 13 herein on the website www.lminvestmentadministration.com; and
- (c) where the First Applicants receive a response to an email that indicates the email was not received, or if the First Applicants do not hold an email address for any member, and the First Applicants have a postal address for those members, the First Applicants are to post the Notice to the postal address of those members.

16. That service of this Further Amended Originating Application under s.511 of the Act be effected on the creditors of the Second Applicant as follows:-

- (a) by the First Applicants uploading to the website www.lminvestmentadministration.com copies of this application, the

statement of facts to be filed, the Notice to Creditors in the form of Schedule 8 to this application ("the Creditors' Notice") any order made as to service and the substantive affidavits (including all the exhibits) that the First Applicants intend to rely upon in support of the Application;

- (b) by sending by email to those creditors of the Second Applicant, for whom an email address is recorded, the Creditors' Notice and that they may view all substantive Court documents upon which the First Applicants intend to rely in support of the relief sought by paragraphs 7 to 13 herein on the website www.lminvestmentadministration.com; and
- (c) where the First Applicants receive a response to an email that indicates the email was not received, or if the First Applicants do not hold an email address for any creditor, and the First Applicants have a postal address for those creditors, the First Applicants are to post the Notice to the postal address of those creditors.

17. That service of this application in accordance with any orders made be deemed to be effective on each of the members of the Other Funds and the creditors of the Second Applicant.

18. That, where the First Applicants propose to rely on further material in support of the relief sought by paragraphs 7 to 13 herein, they may serve that material by uploading the material to the website and sending notice by email or, where the First Applicants do not hold a valid email address, by post to those members or creditors, with such notice to direct the members or creditors to the further material which has been uploaded at the website www.lminvestmentadministration.com.

19. That the First Applicants not be required to take further steps to serve the members of the Other Funds or creditors of the Second Applicant whose email

addresses return permanent undeliverable receipts and for whom the applicants do not have a postal address.

20. Directions for the hearing of the relief sought by paragraphs 7 to 13 herein ("the Further Application") as follows:-

- (a) by no later than 22 January, 2016, the Applicants are to file any affidavit material in support of the Further Application;
- (b) by no later than 27 January, 2016, the Applicants are to serve, pursuant to Part 4 of Chapter 4 of the Uniform Civil Procedure Rules 1999 (Old), this Further Amended Originating Application and any supporting affidavit material on which the Applicants intend to rely, on the Respondent.
- (c) by no later than 2 February, 2016, any party other than the Respondent who wishes to appear at the hearing of the Further Application shall file and serve, at the Applicants' address for service, a Notice of Appearance in Form 4;
- (d) by no later than 10 February, 2016, the Respondent is to file and serve any affidavit upon which he intends to rely at the hearing of the Further Application;
- (e) by no later than 10 February, 2016, any party other than the Respondent who has filed a Notice of Appearance in accordance with sub-paragraph (c) herein is to file any affidavit upon which it intends to rely at the hearing of the Further Application; and
- (f) the Further Application be set down for hearing on a convenient date after 10 February, 2016.

Date: ~~8 April, 2015~~ ~~20 July, 2015~~ 16 December, 2015

Signed:


Russells

Description: Solicitors for the Applicants

B. NOTICE TO RESPONDENTS

TO: David Whyte of BDO, Level 10, 12 Creek Street, Brisbane, Queensland
c/- Tucker and Cowen, Level 15, 15 Adelaide Street, Brisbane Qld 4000

TO: The Members of the LM Cash Performance Fund ARSN 087 304 032

TO: The Members of the LM the LM Australian Income Fund
ARNSN 133 497 917

TO: The Members of the LM Australian Structured Products Fund
ARNSN 149 875 669

TO: The Members of the LM Currency Protected Australian Income
Fund ARSN 110 247 875

TO: The Members of the LM Institutional Currency Protected
Australian Income Fund ARSN 122 052 868

TO: The Creditors of the Second Applicant

This Application will be heard by the Court at the Law Courts Complex, 415 George Street, Brisbane ~~at a date to be fixed for interlocutory relief on 17 December, 2015 and thereafter on a date to be fixed.~~

If you wish to oppose this Application or to argue that any different Order should be made, you must appear before the Court in person or by your lawyer and you shall be heard. If you do not appear at the hearing the Orders sought may be made without further notice to you. In addition you must before the day for hearing file a Notice of

Appearance in this Registry. The Notice should be in Form 4. You must serve a copy of it at the Applicants' address for service shown in this Application as soon as possible.

NOTE: Unless the Court otherwise orders, a Respondent that is a corporation must be represented at a hearing by a legal practitioner. It may be represented at a hearing by a director of the corporation only if the Court grants leave.

C. FILING

Date of filing: 16 December, 2015

Registrar

This Further Amended Originating Application is filed by Russells, Solicitors for the Applicants.

D. SERVICE

The Applicants' address for service is Level 18, 300 Queen Street, Brisbane, Queensland, 4000, telephone 07 3004 8888, facsimile 07 3004 8899, email Mail@RussellsLaw.com.au.

It is intended to serve a copy of this Original Application on each Respondent and on any person listed below:-

David Whyte of BDO, Level 10, 12 Creek Street, Brisbane, Queensland
c/- Tucker and Cowen, Level 15, 15 Adelaide Street, Brisbane Qld 4000

The Members of the LM Cash Performance Fund ARSN 087 304 032

The Members of the LM the LM Australian Income Fund ARSN 133 497 917

The Members of the LM Australian Structured Products Fund

ARSN 149 875 669

**The Members of the LM Currency Protected Australian Income Fund ARSN
110 247 875**

**The Members of the LM Institutional Currency Protected Australian Income
Fund ARSN 122 052 868**

The Creditors of the Second Applicant

SCHEDULE 1 – THE LIQUIDATORS

The following functions and duties set out in the following provisions of the Act and the constitution of the FMIF:-

- ~~1. — subject to the provisions of section 556 of the Act, to pay any class of creditors in full (including creditors for whose debts LMIM has a right of indemnity out of the Scheme Property of the FMIF), pursuant to section 477(1)(b) of the Act;~~
- ~~2. — to call for and adjudicate on proofs of debt and claims against LMIM (including those in respect of which LMIM has a right of indemnity out of the Scheme Property of the FMIF), pursuant to Division 6 of Part 5.6 of the Act and to compromise such debts or claims under subsections 477(1)(c) and (d) of the Act;~~
- ~~3. — to pay to third parties, in respect of whose claim monies are received under a contract of insurance, the sum necessary to discharge the liability to the third party, after deducting any expenses, pursuant to section 562 of the Act;~~
- ~~4. — to recover property of the FMIF pursuant to the provisions of Part 5.7B Division 2 of the Act; and~~
- ~~5. — to pay the debts of LMIM (including those in respect of which LMIM has a right of indemnity out of the Scheme Property of the FMIF), pursuant to section 506(3) of the Act.~~
1. to pay the expenses and liabilities, of LMIM as far as they relate to the FMIF as determined by proofs of debt and other authorised methods in

accordance with sections 477(1)(b), 477(1)(c), 477(1)(d), 506(3) and 562 of the Act and clauses 16.7(b) and 18.1 of the Constitution;

2. to recover those assets of the FMIF which are available only to the Liquidators because of part 5.7B of the Act;
3. to manage and deal with members, units and the capital of the FMIF as required by the Constitution, in particular, as required by clauses 3.6, 16.6, 16.7(c), 16.7(f), 16.7(g), 18.2 and 21.1, as well as parts 9, 10, 12, 22 and 28 of the Constitution; and
4. to determine and report upon the financial status of the FMIF as required by clauses 16.10, 27.1 and 27.4, as well as parts 11, 12 and 14 of the Constitution.

SCHEDULE 2 – THE TRUSTEE

The following functions and duties set out in the following clauses of the Constitution of the FMIF:-

1. ~~Clause 2.1~~ to act as trustee of the FMIF
2. ~~Clause 3.2~~ to manage the classes of units
3. ~~Clause 3.6~~ to consolidate or divide the capital of the FMIF
4. ~~Part 5~~ to issue units
5. ~~Part 9~~ to deal with the registration of any transfers
6. ~~Part 10~~ to maintain and effect transmissions of units where members die or become bankrupt
7. ~~Part 11~~ to determine the Income of the FMIF for each Financial Year
8. ~~Part 12~~ to calculate and distribute Distributable Income, and to distribute capital of the FMIF to the Members
9. ~~Part 14~~ to deal with complaints of Members
10. ~~Clause 16.6~~ to manage the FMIF until such time as all winding up procedures have been completed (subject to the functions expressly assigned to the Respondent in the order of Dalton J made on 26 August, 2013 (“the Order”))

-
11. ~~Subclause 16.7(b) — To pay the liabilities of the Trustee (in its capacity as trustee of the FMIF), including liabilities owed to any Member who is a creditor of the FMIF except where such liability is a “Unit Holder Liability”.~~
 12. ~~Subclause 16.7(c) — to distribute the net proceeds of realisation among members in the proportions specified in clause 12.4.~~
 13. ~~Subclause 16.7(f) — to retain for as long as it thinks fit any part of the Scheme Property which, in its opinion may be required to meet any actual or contingent liability of the FMIF, subject to the Respondent’s obligation to take possession of, and to sell, all of the Scheme Property.~~
 14. ~~Subclause 16.7(g) — to distribute among the members in accordance with clause 16.7 and anything retained under Subclause 16.7(f) which is subsequently not required for the winding up of the FMIF~~
 15. ~~Clause 16.10 — to arrange for an auditor to audit the final accounts of the FMIF after the FMIF is wound up~~
 16. ~~Part 17 — to obtain valuations of the Scheme Property as may be required~~
 17. ~~Clause 18.1 — to pay taxes (and to lodge income tax returns and Business Activity Statements of the FMIF)~~
 18. ~~Clause 18.2 — to set aside money from Scheme Property which, in the opinion of the First Applicants, is sufficient to meet any present or future obligation of the FMIF, subject to the Respondent’s obligation to take possession of, and to sell, all of the Scheme Property~~
-

-
19. ~~Clause 21.1 to deal with the Custodian, as agent for LMIM, on the terms and conditions set out in the Custody Agreement, subject to the Respondent's obligation to take possession of, and to sell, all of the Scheme Property~~
 20. ~~Part 22 to maintain the Register of Members and any other registers required by the law~~
 21. ~~Clause 26.1 to amend the constitution if the First Applicants reasonably consider the change will not adversely affect members' rights, provided that no such amendment would purport to alter the operation of the Order~~
 22. ~~Clause 27.1 to appoint auditors to audit the accounts~~
 23. ~~Clause 27.4 to keep and prepare the accounts of the FMIF in accordance with applicable Accounting Standards and the Act, and to report to members concerning the affairs of the FMIF and their holdings as required by the Act~~
 24. ~~Part 28 to call and convene meetings of Members~~

The following functions and duties set out in the following provisions of the Act:-

1. to prepare, for each financial year, a financial report for the FMIF, pursuant to Division 1 of Part 2M.3 of the Act
2. to have each such financial report audited in accordance with Division 3 of Part 2M.3 of the Act and to obtain an auditor's report pursuant to section 301 of the Act

-
3. to report to members of the FMIF for each financial year in accordance with Division 4 of Part 2M.3 of the Act
 4. to lodge with ASIC the reports for each financial year, pursuant to Division 5 of Part 2M.3 of the Act
 5. to prepare, for each half-year, a financial report for the FMIF, pursuant to Division 2 of Part 2M.3 of the Act
 6. to have each such half-yearly financial report for the FMIF audited or reviewed in accordance with Division 3 of Part 2M.3 of the Act
 7. to lodge with ASIC such half-yearly financial reports and auditors' report, pursuant to Division 3 of Part 2M.3 of the Act
 8. to engage a registered company auditor, an audit firm or an authorised audit company to audit compliance with the FMIF's Compliance Plan in accordance with section 601HG of the Act

SCHEDULE 3

Administrators' Category I Claims

For the Period 19 March, 2013 to 31 July, 2013:-

| <u>Fund</u> | <u>Amount</u> |
|-----------------------|------------------------------|
| <u>EMIF</u> | <u>\$1,092,133.73</u> |
| <u>AIF</u> | <u>\$120,154.54</u> |
| <u>CPF</u> | <u>\$4,022.30</u> |
| <u>ASPE</u> | <u>\$4,569.76</u> |
| <u>CP-AIF</u> | <u>\$9,152.70</u> |
| <u>ICP-AIF</u> | <u>\$3,101.78</u> |
| <u>Total</u> | <u>\$1,233,134.81</u> |

SCHEDULE 4

Administrators' Category 2 Claims

For the Period 19 March, 2013 to 12 April, 2013:-

| <u>Fund</u> | <u>Amount</u> | <u>% of FUM</u> |
|--------------|---------------------|-----------------|
| <u>CPF</u> | <u>\$418.26</u> | <u>0.08%</u> |
| <u>EMIF</u> | <u>\$193,594.80</u> | <u>37.89%</u> |
| <u>ASPF</u> | <u>\$8,081.86</u> | <u>1.58%</u> |
| <u>AIF</u> | <u>\$30,270.05</u> | <u>5.92%</u> |
| <u>Total</u> | <u>\$232,364.97</u> | <u>45.48%</u> |

NB: The First Applicants do not claim against the LM Managed Performance Fund (which fund accounts for 54.52% of the FUM for this period).

For the Period 13 April, 2013 to 30 June, 2013:-

| <u>Fund</u> | <u>Amount</u> | <u>% of FUM</u> |
|--------------|---------------------|-----------------|
| <u>CPF</u> | <u>\$1,011.51</u> | <u>0.18%</u> |
| <u>EMIF</u> | <u>\$462,572.06</u> | <u>82.23%</u> |
| <u>ASPF</u> | <u>\$18,844.45</u> | <u>3.35%</u> |
| <u>AIF</u> | <u>\$80,102.50</u> | <u>14.24%</u> |
| <u>Total</u> | <u>\$562,530.53</u> | <u>100.00%</u> |

For the Period 30 June, 2013 to 31 July, 2013:-

| <u>Fund</u> | <u>Amount</u> | <u>% of FUM</u> |
|--------------|---------------------|-----------------|
| <u>CPF</u> | <u>\$234.02</u> | <u>0.15%</u> |
| <u>EMIF</u> | <u>\$129,148.82</u> | <u>82.16%</u> |
| <u>ASPF</u> | <u>\$5,142.52</u> | <u>3.27%</u> |
| <u>AIF</u> | <u>\$22,674.14</u> | <u>14.42%</u> |
| <u>Total</u> | <u>\$157,199.50</u> | <u>100.00%</u> |

SCHEDULE 5

Liquidators' Category 1 Claims

For the Period 1 August, 2013 to 31 December, 2013:-

| <u>Fund</u> | <u>Amount</u> |
|---------------------|----------------------------|
| <u>FMIF</u> | <u>\$340,086.59</u> |
| <u>AIF</u> | <u>\$125,519.81</u> |
| <u>CPF</u> | <u>\$6,393.76</u> |
| <u>ASPF</u> | <u>\$24,479.90</u> |
| <u>CP-AIF</u> | <u>\$12,722.72</u> |
| <u>ICP-AIF</u> | <u>\$6,415.24</u> |
| <i><u>Total</u></i> | <i><u>\$515,618.02</u></i> |

For the Period 1 January, 2014 to 30 June, 2014:-

| <u>Fund</u> | <u>Amount</u> |
|---------------------|----------------------------|
| <u>FMIF</u> | <u>\$158,666.40</u> |
| <u>AIF</u> | <u>\$111,509.74</u> |
| <u>CPF</u> | <u>\$27,463.28</u> |
| <u>ASPF</u> | <u>\$18,887.03</u> |
| <u>CP-AIF</u> | <u>\$8,430.03</u> |
| <u>ICP-AIF</u> | <u>\$3,155.52</u> |
| <i><u>Total</u></i> | <i><u>\$328,112.00</u></i> |

For the Period 1 July, 2014 to 30 June, 2015:-

| <u>Fund</u> | <u>Amount</u> |
|---------------------|----------------------------|
| <u>FMIF</u> | <u>\$209,869.75</u> |
| <u>AIF</u> | <u>\$191,416.16</u> |
| <u>CPF</u> | <u>\$36,112.59</u> |
| <u>ASPF</u> | <u>\$53,000.35</u> |
| <u>CP-AIF</u> | <u>\$45,785.20</u> |
| <u>ICP-AIF</u> | <u>\$13,637.64</u> |
| <i><u>Total</u></i> | <i><u>\$549,821.69</u></i> |

For the Period 1 July, 2015 to 30 September, 2015:-

| <u>Fund</u> | <u>Amount</u> |
|----------------|---------------------|
| <u>FMIF</u> | <u>\$30,700.57</u> |
| <u>AIF</u> | <u>\$71,177.25</u> |
| <u>CPF</u> | <u>\$18,777.08</u> |
| <u>ASPF</u> | <u>\$23,214.35</u> |
| <u>CP-AIF</u> | <u>\$15,645.88</u> |
| <u>ICP-AIF</u> | <u>\$6,412.97</u> |
| <u>Total</u> | <u>\$165,928.10</u> |

SCHEDULE 6

Liquidators' Category 2 Claims

For the Period 1 August, 2013 to 30 August, 2013:-

| <u>Fund</u> | <u>Amount</u> | <u>% of FUM</u> |
|--------------------|----------------------|------------------------|
| <u>CPF</u> | <u>\$177.60</u> | <u>0.15%</u> |
| <u>FMIF</u> | <u>\$98,022.91</u> | <u>82.95%</u> |
| <u>ASPF</u> | <u>\$2,682.20</u> | <u>2.27%</u> |
| <u>AIF</u> | <u>\$17,288.29</u> | <u>14.63%</u> |
| <u>Total</u> | <u>\$118,171.00</u> | <u>100.00%</u> |

For the Period 1 September, 2013 to 30 September, 2013:-

| <u>Fund</u> | <u>Amount</u> | <u>% of FUM</u> |
|--------------------|----------------------|------------------------|
| <u>CPF</u> | <u>\$113.88</u> | <u>0.15%</u> |
| <u>FMIF</u> | <u>\$62,837.13</u> | <u>83.09%</u> |
| <u>ASPF</u> | <u>\$1,714.67</u> | <u>2.27%</u> |
| <u>AIF</u> | <u>\$10,963.82</u> | <u>14.50%</u> |
| <u>Total</u> | <u>\$75,629.50</u> | <u>100.00%</u> |

For the Period 1 October, 2013 to 31 October, 2013:-

| <u>Fund</u> | <u>Amount</u> | <u>% of FUM</u> |
|--------------------|----------------------|------------------------|
| <u>CPF</u> | <u>\$69.31</u> | <u>0.15%</u> |
| <u>FMIF</u> | <u>\$38,239.55</u> | <u>83.19%</u> |
| <u>ASPF</u> | <u>\$984.23</u> | <u>2.14%</u> |
| <u>AIF</u> | <u>\$6,675.41</u> | <u>14.52%</u> |
| <u>Total</u> | <u>\$45,968.50</u> | <u>100.00%</u> |

For the Period 1 November, 2013 to 30 November, 2013:-

| <u>Fund</u> | <u>Amount</u> | <u>% of FUM</u> |
|--------------------|----------------------|------------------------|
| <u>CPF</u> | <u>\$50.20</u> | <u>0.17%</u> |
| <u>FMIF</u> | <u>\$24,749.86</u> | <u>82.67%</u> |
| <u>ASPF</u> | <u>\$675.54</u> | <u>2.26%</u> |
| <u>AIF</u> | <u>\$4,460.91</u> | <u>14.90%</u> |
| <u>Total</u> | <u>\$29,936.50</u> | <u>100.00%</u> |

For the Period 1 December, 2013 to 31 December, 2013:-

| <u>Fund</u> | <u>Amount</u> | <u>% of FUM</u> |
|--------------|--------------------|-----------------|
| <u>CPF</u> | <u>\$76.21</u> | <u>0.47%</u> |
| <u>FMIF</u> | <u>\$11,313.73</u> | <u>69.37%</u> |
| <u>ASPF</u> | <u>\$961.46</u> | <u>5.89%</u> |
| <u>AIF</u> | <u>\$3,958.60</u> | <u>24.27%</u> |
| <u>Total</u> | <u>\$16,310.00</u> | <u>100.00%</u> |

For the Period 1 January, 2014 to 30 March, 2014:-

| <u>Fund</u> | <u>Amount</u> | <u>% of FUM</u> |
|--------------|--------------------|-----------------|
| <u>CPF</u> | <u>\$325.05</u> | <u>0.47%</u> |
| <u>FMIF</u> | <u>\$48,096.69</u> | <u>69.31%</u> |
| <u>ASPF</u> | <u>\$4,274.78</u> | <u>6.16%</u> |
| <u>AIF</u> | <u>\$16,694.98</u> | <u>24.06%</u> |
| <u>Total</u> | <u>\$69,391.50</u> | <u>100.00%</u> |

For the Period 1 April, 2014 to 30 June, 2014:-

| <u>Fund</u> | <u>Amount</u> | <u>% of FUM</u> |
|--------------|--------------------|-----------------|
| <u>CPF</u> | <u>\$304.09</u> | <u>0.47%</u> |
| <u>FMIF</u> | <u>\$44,987.41</u> | <u>69.37%</u> |
| <u>ASPF</u> | <u>\$4,014.98</u> | <u>6.19%</u> |
| <u>AIF</u> | <u>\$15,543.52</u> | <u>23.97%</u> |
| <u>Total</u> | <u>\$64,850.00</u> | <u>100.00%</u> |

For the Period 1 July, 2014 to 30 September, 2014:-

| <u>Fund</u> | <u>Amount</u> | <u>% of FUM</u> |
|--------------|--------------------|-----------------|
| <u>CPF</u> | <u>\$266.72</u> | <u>0.53%</u> |
| <u>FMIF</u> | <u>\$34,339.70</u> | <u>67.85%</u> |
| <u>ASPF</u> | <u>\$3,337.09</u> | <u>6.59%</u> |
| <u>AIF</u> | <u>\$12,664.49</u> | <u>25.02%</u> |
| <u>Total</u> | <u>\$50,608.00</u> | <u>100.00%</u> |

For the Period 1 October, 2014 to 31 December, 2014:-

| <u>Fund</u> | <u>Amount</u> | <u>% of FUM</u> |
|-------------|-----------------|-----------------|
| <u>CPF</u> | <u>\$144.69</u> | <u>0.36%</u> |

| | | |
|--------------|--------------------|----------------|
| <u>FMIF</u> | <u>\$26,775.68</u> | <u>66.69%</u> |
| <u>ASPF</u> | <u>\$2,744.02</u> | <u>6.83%</u> |
| <u>AIF</u> | <u>\$10,483.10</u> | <u>26.11%</u> |
| <u>Total</u> | <u>\$40,147.50</u> | <u>100.00%</u> |

For the Period 1 January, 2015 to 30 June, 2015:-

| <u>Fund</u> | <u>Amount</u> | <u>% of FUM</u> |
|--------------|--------------------|-----------------|
| <u>FMIF</u> | <u>\$63,762.36</u> | <u>65.95%</u> |
| <u>ASPF</u> | <u>\$6,747.16</u> | <u>6.98%</u> |
| <u>AIF</u> | <u>\$26,175.98</u> | <u>27.07%</u> |
| <u>Total</u> | <u>\$96,685.50</u> | <u>100.00%</u> |

For the Period 1 July, 2015 to 30 September, 2015:-

| <u>Fund</u> | <u>Amount</u> | <u>% of FUM</u> |
|--------------|--------------------|-----------------|
| <u>FMIF</u> | <u>\$28,354.09</u> | <u>64.82%</u> |
| <u>ASPF</u> | <u>\$3,082.31</u> | <u>7.05%</u> |
| <u>AIF</u> | <u>\$12,303.61</u> | <u>28.13%</u> |
| <u>Total</u> | <u>\$43,740.00</u> | <u>100.00%</u> |

SCHEDULE 7

NOTICE TO MEMBERS

TO: The Members of [INSERT FUND]

John Richard Park and Ginette Dawn Muller are the liquidators of LM Investment Management Limited (in liquidation) (receivers appointed) ("LMIM"), which remains the responsible entity of the LM First Mortgage Income Fund ("FMIF").

TAKE NOTICE that John Richard Park and Ginette Dawn Muller, the liquidators of LM Investment Management Limited (in liquidation) (receivers appointed) ("LMIM"), have applied to the Supreme Court of Queensland for the determination of their remuneration as liquidators of LMIM and for a direction that they be authorised to draw that sum from the Scheme Property of [INSERT FUND] as follows:-

- (a) in respect of work directly attributable to [INSERT FUND], in the amount of [INSERT CATEGORY 1 TOTAL].
- (b) in respect of work referable to LMIM's role as a fund manager generally, in the amount of [INSERT CATEGORY 2 TOTAL], which amount represents a proportionate amount of such work relative to the funds under management of [INSERT FUND].

The application is set down for hearing on [DATE].

Copies of the application and other court documents filed in the proceeding will be available on the website www.lminvestmentadministration.com. Any member who reasonably requires a hardcopy of the application and other court documents should call Russells Lawyers on +61 7 3004 8888.

The members of [INSERT FUND] are not respondents to the application but any member is entitled to be heard in the application if they wish. Any member who wishes to appear and to make submissions at the hearing of the application must file a

Notice of Appearance in Form 4 to the Rules for Proceedings under the *Corporations Act 2001* which are in Chapter 23 of the *Uniform Civil Procedure Rules 1999*; and serve a copy of that notice on Russells, the solicitors for John Richard Park and Ginette Dawn Muller, at their office at Level 18, 300 Queen Street, Brisbane, Q. 4000. Tel. +61 7 3004 8888 Fax +61 1 3004 8899 E-mail: Mail@RussellsLaw.com.au.

This notice is given pursuant to an order of the Supreme Court of Queensland made on 17 December, 2015. A copy of the order may be seen on the website www.lminvestmentadministration.com.

Dated: 17 December, 2015

SCHEDULE 8

NOTICE TO CREDITORS

TO: The Creditors of LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION)(RECEIVERS APPOINTED) ACN 077 208 461

John Richard Park and Ginette Dawn Muller are the liquidators of LM Investment Management Limited (in liquidation) (receivers appointed) ("LMIM").

TAKE NOTICE that John Richard Park and Ginette Dawn Muller, the liquidators of LM Investment Management Limited (in liquidation) (receivers appointed) ("LMIM"), have applied to the Supreme Court of Queensland for the determination of their remuneration as liquidators of LMIM and for a direction that they be authorised to draw that sum from the Scheme Property of the various funds of which LMIM is the responsible entity as follows:-

- (c) in respect of work directly attributable to the various funds, in the amount of \$2,792,614.62;
- (d) in respect of work referable to LMIM's role as a fund manager generally, in the amount of \$1,603,533, which amount is to be allocated to the various funds in proportion to the funds under management of each fund.

The application is set down for hearing on **DATE**.

Copies of the application and other court documents filed in the proceeding will be available on the website www.lminvestmentadministration.com. Any creditor who reasonably requires a hardcopy of the application and other court documents should call Russells Lawyers on +61 7 3004 8888.

The creditors of LMIM are not respondents to the application but any creditor is entitled to be heard in the application if they wish. Any creditor who wishes to appear and to make submissions at the hearing of the application must file a Notice of Appearance in Form 4 to the Rules for Proceedings under the *Corporations Act 2001*

which are in Chapter 23 of the *Uniform Civil Procedure Rules 1999*; and serve a copy of that notice on Russells, the solicitors for John Richard Park and Ginette Dawn Muller, at their office at Level 18, 300 Queen Street, Brisbane, Q. 4000. Tel. +61 7 3004 8888 Fax +61 1 3004 8899 E-mail: Mail@RussellsLaw.com.au.

This notice is given pursuant to an order of the Supreme Court of Queensland made on 17 December, 2015. A copy of the order may be seen on the website www.lminvestmentadministration.com.

Dated: 17 December, 2015