

TO THE INVESTOR AS ADDRESSED

28 June 2024

LM FIRST MORTGAGE INCOME FUND (RECEIVER APPOINTED) ARSN 089 343 288 ('the Fund' or 'FMIF')

1. Introduction

I refer to my appointment as the Receiver of the Fund's assets and the person responsible for ensuring the winding up of the Fund in accordance with the terms of its constitution by Order of the Supreme Court of Queensland on 8 August 2013.

I now provide my 46th update to investors, which provides details of the progress made in the winding up of the Fund since my last report to investors dated 28 March 2024. This report should be read in conjunction with my previous reports, which are available on the website www.lmfimif.com.

As foreshadowed in my last report, an application to Court for me to obtain orders to finalise the winding up and pay the final distribution to members was being prepared. This application was filed on 12 April 2024 and a notice to members was issued on 24 April 2024 notifying members of this and Mr Park's application (the liquidator of the responsible entity of the Fund) for payment of his remuneration and expenses.

Both applications were heard by the Supreme Court of Queensland on 27 May 2024 when the requested orders were made. All relevant material in relation to both applications can be found at www.lmfimif.com and including the orders made. This is further discussed at section 2 below.

2. Finalisation of the Winding Up

The orders made by the Court on 27 May 2024 included the following:

- Orders for payment of Mr Park's remuneration and expenses;
- Orders for payment of my remuneration;
- Directions to confirm that I am justified in discontinuing the claim against LM Investment Management Ltd (In Liquidation) (LMIM) in Supreme Court of Queensland Proceeding 11560/16 (referred to in paragraph 2.1.6.6 of my report dated 19 December 2019);
- An order that LMIM as RE of the FMIF is not required to have the final accounts of the Fund audited;
- Directions as to steps to be taken in relation to certain liability accounts of the FMIF;
- Orders authorising me to make a final distribution to FMIF members; and
- Orders discharging and releasing me from my appointments, once certain steps have been taken as detailed in the orders.

Members should read the orders made on 27 May 2024 in proceedings 3383/13 and 3508/15 which are available on the website www.lmfmfif.com for full details.

3. Timeline to Complete Winding Up

By mid-July 2024, I expect to have:

- Paid all of Mr Park's claims for remuneration and expenses, noting that the majority of those costs have already been paid;
- Paid my remuneration, in accordance with the Court's orders, save for remuneration yet to be incurred, noting that my remuneration has been paid up to 25 May 2024;
- Paid out the investor liability accounts in accordance with the Court's orders, and made decisions with respect to claims received from members in response to my notice dated 26 April 2024; and
- Paid most, if not all other liabilities of the Fund.

It is then my intention to pay the final distribution to members as soon as possible thereafter and somewhere between 31 July 2024 and mid-August 2024. Members will be advised at that time of the amount of the final distribution and including the cents per unit that is being paid. The last estimate as at 31 December 2023 to members other than the Feeder Funds was 11.4 cents per unit as detailed in my affidavit in support of the finalisation application. That estimate was before any further income or costs after that date and therefore is subject to change.

Following the payment of the final distribution, I will complete the following:

- Pay the final amount of remuneration under the Court orders;
- Issue a final report to investors;
- Complete the management accounts for the year ended 30 June 2024 and for the period from 1 July 2024 until completion of the winding up. These accounts will be posted to the website www.lmfmfif.com;
- Remit any unclaimed monies to ASIC;
- Prepare and lodge an end of administration return with ASIC (including receipts and payments) together with a notice of completion of the winding up; and
- Lodge an affidavit with the Court confirming that the final distribution has been paid, that the unclaimed monies have been paid to ASIC and that the final accounts have been published on the website www.lmfmfif.com.

It is currently expected that (subject to any unexpected complications or issues that might arise) these matters will be completed by late August 2024/early September 2024 resulting in the conclusion of the winding up of the Fund.

4. Receiver's Remuneration and Expenses

There have been eighteen applications to Court to date to approve my remuneration since the date of my appointment on 8 August 2013.

A copy of all documentation in relation to my previous applications, including the eighteenth application (which formed part of the finalisation application), can be found on the website www.lmfmf.com.

5. Queries

Should unit holders require further information, please contact BDO as follows:

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Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Whyte'.

David Whyte
Receiver