

TO THE INVESTOR AS ADDRESSED

23 October 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 48th and final report to investors. This report is prepared in accordance with the relief granted by the Australian Securities and Investments Commission (ASIC Exemption) on 1 March 2024 in relation to financial reporting obligations of the Fund for the 2024 and 2025 financial years. In this regard, the ASIC Exemption requires a report to be made available to investors for each "relevant period" (defined as each period of six months starting on 1 January 2024, or if the winding up of the scheme is completed before the end of such a six month period, the period from the start of the relevant period to completion of the winding up), within three months of the end of each period, which includes the following information (unless disclosure of that information would be prejudicial to the winding up):

- (i) Information about the progress and status of the winding up of the Fund, including details (as applicable) of:
 - A. The actions taken during the period;
 - B. The actions required to complete the winding up;
 - C. The actions proposed to be taken in the next 12 months; and
 - D. The expected time to complete the winding up.
- (ii) The financial position of the Fund as at the last day of the relevant period (based on available information);
- (iii) Financial information about receipts (and payments) of the Fund during the period; and
- (iv) The following information at the end of the period:
 - A. The value of the Fund's property; and
 - B. The potential return to investors.

This report covers, the period 1 July 2024 to 17 October 2024 (when the notice of completion of the winding up was lodged with ASIC) (the Period). A notice explaining the instrument of relief together with a copy of the ASIC instrument can be found on the home page of the website www.lmfimf.com.

2. Progress and Status of the Winding Up

2.1 Legal Proceedings

2.1.1 Finalisation Application

An application to Court for me to obtain orders to finalise the winding up and pay the final distribution to members 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.lmfimf.com and including the orders made.

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 responsible entity 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.lmfimf.com for full details.

All of the necessary work to finalise the winding up has now been completed, including payment of the final distribution in August 2024.

3. Financial Position of the Fund

The management accounts for the period from 1 July 2024 until conclusion of the winding up on 17 October 2024 are available on the website www.lmfimf.com under the tab titled "Financial Statements & Other Key Documents".

The management accounts confirm cash at bank of \$6,948,421 with this amount to be remitted to ASIC as unclaimed monies in respect of failed payments to members relating to distributions and other payables. Other than these funds which are to be remitted to ASIC, as at 17 October 2024, the Fund has

no property or assets, the liabilities of the Fund have been paid and there will be no further return to members of the scheme.

4. Receipts and Payments of the Fund

All receipts and payments for the Fund since McGrath Nicol's appointment on 10 July 2013 until their retirement on 10 December 2018 are on the website www.lmfimf.com under Financial Statements & Other Key Documents.

Following McGrath Nicol's retirement and relinquishment of control of the bank accounts, I took over responsibility for all receipts and payments and will upload copies of the Receipts and Payments lodged with ASIC to the www.lmfimf.com website from time to time.

The receipts and payments of the Fund, for the period 1 July 2024 to conclusion of the winding up on 17 October 2024 is summarised in the table below.

Description	\$
Receipts	
Interest	117,249
Total receipts	117,249
Payments	
Bank fees	(4,051)
Custodian fees	(12,431)
Interim and Final Capital Distributions to Investors*	(44,749,798)
Ledger payments to Investors*	(844,095)
Legal and other fees	(24,679)
Liquidators' of LMIM expenses (FTI)	(128,534)
IT expenses	(30,071)
Printing and stationary	(20,076)
Receivers fees and disbursements (BDO)	(400,646)
Record management and storage	(31,189)
Total payments	(46,245,570)
Net receipts/(payments)	(46,128,231)

*Net cash amounts paid to investors, excluding bounced payments remitted to ASIC Unclaimed Monies on 23 October 2023.

5. Distributions to Investors

The Court authorised and empowered me on 2 October 2019 to make an interim capital distribution of 6.5 cents per unit to investors of the LM First Mortgage Income Fund. I confirm the interim distribution was paid to members in October 2019.

As mentioned above, an application to court for me to obtain orders to finalise the winding up and including for me to pay the final distribution to members was heard and approved on 27 May 2024. The final distribution to members of 11.9 cents per unit was made in August 2024.

The Feeder Funds received less than these amounts in accordance with the terms of a deed of settlement where certain amounts were withheld from the distributions to the Feeder Funds.

6. Actions taken during the Period

I provide below a summary of actions taken during the period from 1 July 2024 to 17 October 2024 (when the notice of completion of the winding up was lodged with ASIC):

- Maintaining the financial records of the Fund and preparation of management accounts for the year ended 30 June 2024 and the period from 1 July 2024 to 17 October 2024;
- Undertaking the investor management function for approximately 4,600 investors including answering queries on the winding up of the Fund and maintaining the investment database, including any change in details or transfer of units;
- Paying the remaining liabilities of the Fund;
- Calculating and paying the final distribution to members;
- Issuing final distribution notices to members;
- Preparation of two reports to investors; and
- Notifying ASIC that the winding up has been completed.

7. Proposed actions to be taken to complete the winding up of the Fund or in the next 12 months, and estimated timeframe to complete winding up

As the winding up of the Fund has now been completed and a notice lodged with ASIC on 17 October 2024 confirming same, there is nothing further to be done in this respect. An affidavit will be filed in the Court, notifying the Court of completion of the winding up.

8. Completion of Winding Up/Lodgement of Unclaimed Monies with ASIC

As advised above, the final distribution has been paid to members and the winding up of the Fund has been completed.

All returned distributions and ledger payments totalling \$6,948,421 were remitted to ASIC Unclaimed Monies on 23 October 2024. The commencement date for investors to initiate their claims for funds paid to ASIC is subject to ASIC making those funds available for claim. Accordingly, we are unable to advise investors when they can begin their claims. Any funds owed to you will appear on the Unclaimed Monies website at <https://moneysmart.gov.au/find-unclaimed-money> once available, and you will be able to lodge a claim.



For details on how to claim funds from ASIC Unclaimed Monies, please visit the following website: <https://asic.gov.au/for-consumers/unclaimed-money/>. For any assistance with your claim through ASIC Unclaimed Monies, please phone the ASIC Unclaimed Monies department on 1300 301 198.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'David Whyte'. The signature is fluid and cursive, with a long horizontal stroke extending to the left.

David Whyte
Receiver