

Our "Ref: RCL_8979r6

17 August 2021

CIRCULAR TO INVESTORS

Dear Sir/Madam

Re: LM Investment Management Limited (In Liquidation) ACN 077 208 461 ("LMIM") ("the Company") as the responsible entity of the LM Institutional Currency Protected Australian Income Fund ("the Fund") ("ICPAIF")

I refer to my previous update regarding this Fund on 7 September 2020 and provide the following update in relation to the wind-up of the Fund.

Taxation matters and audited accounts

The solvency of ICPAIF remains uncertain until such time as the amount of any final distributions from the LM First Mortgage Income Fund ("FMIF") to ICPAIF are known. Previous reporting relief was requested and granted by ASIC for ICPAIF on the basis the fund was insolvent. In the event distributions are sufficient to meet the costs of completing audited accounts I will approach ASIC to confirm my financial reporting requirements.

Litigation

The Court Appointed Receiver of the Assets of the FMIF continues to progress a number of legal actions, the outcomes of which will impact any future distributions which may be payable by FMIF to ICPAIF.

The 34th update from the Court Appointed Receiver is now available on the www.lmfimf.com website. Investors are encouraged to apprise themselves of the progress of the litigation matters to understand how this impacts the potential timing of distributions to ICPAIF.

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Net Asset Value

An **indicative** position of the Fund and estimated unit price as at 30 June 2021 is set out in the table below. All figures are in Australian Dollars (“AUD”).

LM Institutional Currency Protected Australian Income Fund	
NAV as at 30 June 2021	
Item	Amount
Cash at Bank	\$170,610
Total Fund Assets	\$170,610
Less:	
Fund Payables	-\$15,769
Total Fund Payables	-\$15,769
Indicative Net Assets	\$154,841
Estimated AUD equivalent units	11,318,193
Estimated Unit Price	\$0.01

The estimated asset and unit values are expressed in AUD equivalents and are subject to daily market fluctuations. AUD equivalent units have been calculated based on the Australian Taxation Office foreign currency exchange rates for the year ended 30 June 2021. Accordingly, they are subject to change without notice to members.

The indicative net asset position represents cash at bank as at 30 June 2021. Further, the net asset position is calculated before consideration of future distributions which may be made from the FMIF and future wind-up costs (including custody fees, accounting and audit costs, and Liquidator remuneration and out of pocket expenses) not yet invoiced or yet to be incurred or determined by the Court. Ongoing wind-up costs are being minimised wherever possible.

The net asset position is also subject to change should additional liabilities of the ICPAIF be identified.

Timing for Finalisation and Distributions

The amount of net assets presently held is not sizeable enough to warrant a distribution to investors at this time, having consideration to the transaction and time costs associated with making a distribution.

The timing for finalisation of the wind-up of the ICPAIF, including any final distribution, is currently unable to be determined. Timing is dependent on confirmation of any further distributions from FMIF which will only be known upon resolution of the aforementioned legal actions FMIF is presently undertaking.

Contact Details

Investors are able to obtain further information by either:

1. Updates will be provided on the LMIM administration website (www.lminvestmentadministration.com);
2. Sending an email outlining your queries to enquiries@lminvestmentadministration.com; and
3. Queries concerning holdings, transfer requests, and updated details should be directed to enquiries@lminvestmentadministration.com.

Yours faithfully



John Park

Liquidator