

ANNEXURE A

TO THE MEMBERS OF THE LM WHOLESALE FIRST MORTGAGE INCOME FUND ARSN 099 857 511 ("the WFMIF")

Capitalised terms below have the meaning given in the notice dated 20 March 2019, a copy of which is **attached** to this notice, except where otherwise indicated below.

On 2 and 3 May 2019, the Supreme Court of Queensland heard the originating application (**Application**) brought by Trilogy Funds Management Limited as RE of the WFMIF and The Trust Company Ltd as custodian of the property of the WFMIF, seeking directions that they are justified in settling Supreme Court proceeding 13534 of 2016 on the terms set out in the Deed of Settlement and Release as varied by the Variation to the Deed of Settlement and Release (**Deed of Settlement**); and that they are justified in entering into and performing the Deed of Settlement.

The Application was heard by the Honourable Justice Mullins. Judgment is reserved.

At the hearing of the Application, a question arose in relation to the operation and economic effect of the Deed of Settlement, including issues relating to a notification received from Mr Whyte (the receiver appointed to the LM First Mortgage Income Fund) on 1 May 2019 that there are more A class and C class units in the FMIF than was understood to be the case at the time of entry into the Deed of Settlement.

These matters are the subject of correspondence between the parties' solicitors. A further affidavit will be sworn by the solicitors for Trilogy and Trust Company, which will be made available for downloading from the website <https://www.trilogyfunds.com.au/lm-wholesale-first-mortgage-income-fund>.

In order to provide members with an opportunity to be heard as to these matters, on 3 May 2019, the Court ordered that, relevantly, the members of the WFMIF have liberty to apply by 5.00 pm on 14 May 2019, by notification by email to the Associate to the Honourable Justice Mullins (associate.mullinsj@courts.qld.gov.au), copied to the solicitors for the Applicants (amanda.banton@squirepb.com and susan.goodman@squirepb.com) A copy of the order of the Court made on 3 May 2019 will be made available for viewing and downloading from the Portal.

Any member who wishes to seek further information about these matters should call or email Susan Goodman on 02 8248 7873 or susan.goodman@squirepb.com.

Dated:

Trilogy Funds Management Limited ACN 080 383 679 as Responsible Entity of the LM Wholesale First Mortgage Income Fund ARSN 099 857 511