



LimeStreet
Capital

8 July 2009

Dear Investor,

The financial year ending 30 June 2010 has been a mixed year with the last two months devastated by the sudden announcement of the Resource Super Profits Tax, the sovereign debt problems ravaging Europe and a re-adjustment to the growth projections for the US. Combining these factors with a perceived necessary correction to China's property market has left an uncertain market at financial year end.

That said, one can argue that the global stock market now believes European banks, with Euro Government support, will struggle through the impact of holding these sovereign debt assets as part of their Tier 1 capital. Similarly, a reduction in Chinese property prices may not undermine Chinese growth and will be ultimately beneficial for longer term sustainable growth.

Along with the market, we expect a modest economic slow down in 2H CY 2010 in China but we anticipate 2011 will provide a period of turnaround for western world economies and resumption of higher growth levels in China. Of course, investing in Australian resources provides key exposure to the industrialisation of China as well as India and other emerging economies – the growth engines of the world for the next decade or so. In fact as the western world succumbs to austerity measures to combat excessive sovereign debt, it is the growth of these emerging economies which perhaps provides the one bright spot on the horizon.

LSC Australian Resources Hi-Alpha Fund Performance

We hope you will be pleased with the Fund performance over the 12 month period the 30 June 2010 with the fund outperforming all indices. The Fund return of 21% over the last 12 months has outperformed the relevant resource indices by 64% to 114% and the broader market indices by 47% to 80%.

The ASX Small Cap Resources Benchmark returned 12.8% for the 12 months period, around 40% below the Fund performance.



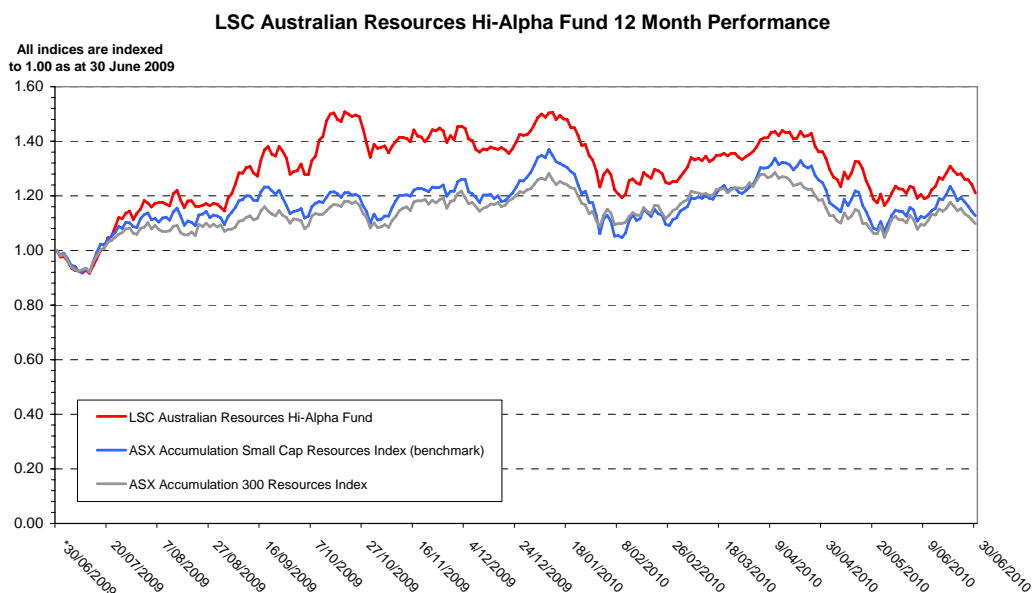
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LimeStreet Capital Fund	Inception Date	12 month performance to 30 June 2010	Performance from inception to 30 June 2010
LSC Australian Resources Hi-Alpha Fund*	30-Jun-08	21.0%	-23.7%
Resource focused indices			
ASX Accumulation Small Cap Resources Index (benchmark)	30-Jun-08	12.8%	-27.7%
ASX Accumulation 300 Resources Index	30-Jun-08	9.8%	-23.6%
ASX Accumulation 200 Resources Index	30-Jun-08	11.0%	-21.6%
General market indices			
ASX Accumulation 200 Index	30-Jun-08	14.3%	-8.7%
ASX All Ordinaries Index	30-Jun-08	11.7%	-17.3%
Dow Jones Industrial Average	30-Jun-08	16.8%	-13.0%

*unaudited, performance returns are calculated after the deduction of ongoing fees and expenses.

While not outlined above, more recent Fund performance in the last quarter has been broadly in line with the resource indices. During the June quarter, the fund experienced a negative return of 11.2% reflecting the impact of the Resource Super Profits Tax and the other issues outlined earlier. This was broadly in line with the S&P/ASX 300 Resources Index (negative 11.1%) and the ASX Small Cap Resources Index (negative 9.3%).

The 12 month performances for the Fund, the ASX Small Cap Resource Index and the S&P/ASX 300 Resources Index are presented in the following chart with all parameters set to 1.00 as at 30 June 2009.



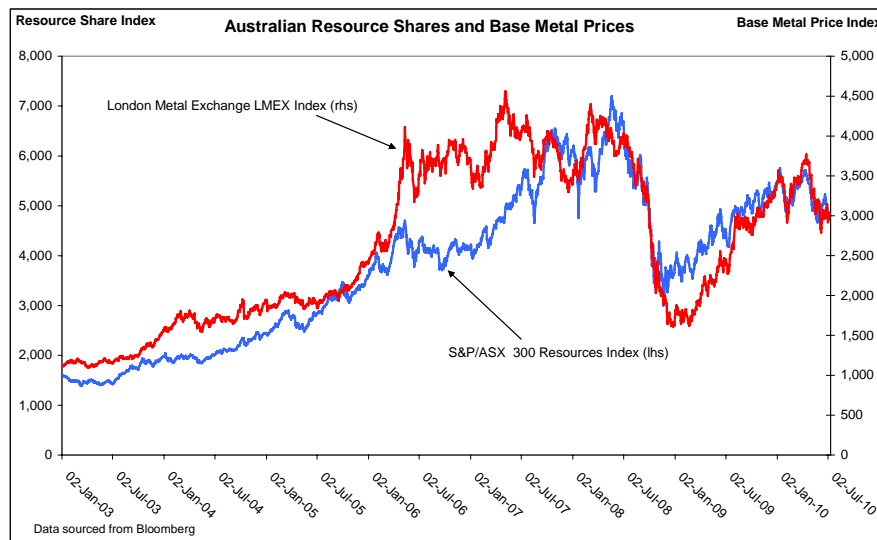


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normal, but reflects realised capital gains due to the Fund's trading activities which suited the type of market experienced during the year. We anticipate greater stability in the portfolio in the forthcoming year.

Outlook

The following chart plots base metal prices as represented by the LME LMEEX index (a composite of base metal prices) and the S&P/ASX 300 Index since 2003. While the 2003 to 2008 Resources Boom is clearly evident, more recently we have experienced volatility in both the base metals prices and the share price index.



With the factors outlined earlier, there is little surprise that metal prices and share prices fell since April 2010 but we believe in both these cases, these have formed a base from which they can now increase in line with re-adjusted expectations of world growth. With the resolution of the RSPT, we believe the major themes going forward will be the pace of the US recovery and the Chinese property market correction.

In the case of the latter, the Chinese Government is likely to determine a level at which it believes the level of property prices will not damage future growth and through relaxing some controls, will stimulate the Chinese stock markets. We believe that the Chinese stock market is largely driven by momentum (rather than fundamental valuations) and a surging Chinese market will attract funds that will reinvigorate growth and commodity demand. We expect this to occur in the next half year.

At year end, the portfolio contained 20 stocks, with overweight positions in copper companies, Equinox, PanAust and Discovery Metals, coal including Whitehaven and gold including Perseus Mining. Out of the remaining 15 stocks, most are modest positions in base metal, iron ore and energy companies. This mix will change over



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time, for example, we expect copper companies to perform early in a recovery but recognise that there is considerable pent up demand for other commodities, particularly coking coal.

We would like to thank you again for your support during the year and envisage the fund may now finally benefit from greater stability in the financial markets!

Yours sincerely,

Stephen Bartrop

Managing Director

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