



**LimeStreet**  
Capital

## **LIMESTREET CAPITAL LAUNCHES RESOURCE FUND**

LimeStreet Capital has launched a new resource fund called the LSC Australian Resources Hi-Alpha Fund. The fund will invest in ASX listed Australian resource companies excluding BHP Billiton and Rio Tinto.

Managing Director, Stephen Bartrop commented that the fund is designed to complement traditional resource investments in the large cap diversified resource houses. He noted that many investors opted for resource exposure through investments in these majors while the remainder of the sector was largely ignored. However, while the remainder of the sector required perhaps more diligent monitoring and research, it can offer attractive but more volatile returns.

The fund is commencing at a time when the team believes that the medium and long term outlook for the resource sector is positive, driven by the ongoing growth in demand for commodities from China, India and other emerging nations.

This underlying strength is perhaps evident in the recent strong iron price increase negotiated by Rio Tinto, along with a market expectation of further price increases next year.

The share prices for many companies are now at attractive levels following a major corrective phase on global equity markets.

The fund has a fee structure which involves a significant hurdle levels before being entitled to a 20% performance fee. This hurdle is 3% above the benchmark and management expense ratio, meaning that the fund has to earn more than 4.5% above the benchmark before the performance fee is payable.

At a time when the industry is scrutinising high fund fees, we believe this is a fair structure that appropriately rewards investors.

It also demonstrates confidence that we are willing to back our experience and judgement.

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