



**LimeStreet
Capital**

October 2008

Dear Investor,

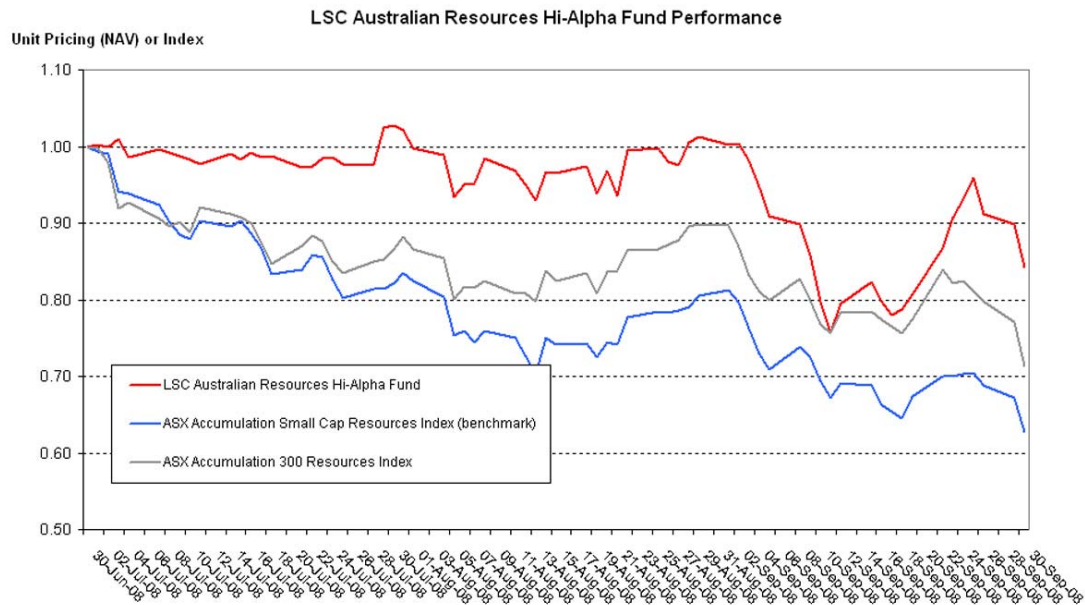
None of us are enjoying one of the most turbulent times in the history of global stock markets! Of course, in hindsight the launching of the fund on the 1 July 2008 was not an opportune time but at least investors can rest assured that investing in the LSC Australian Resources Hi-Alpha Fund during the September quarter has not been as detrimental as investing in the larger resource indices (ASX 200 Resources or ASX 300 Resources). In fact our performance has coincidentally been close to the All Ordinaries Index for the quarter.

LimeStreet Capital Fund	Start Reference Date	Performance to: 30 September 2008
LSC Australian Resources Hi-Alpha Fund	30-Jun-08	-15.8%
Resource focused indices		
ASX Accumulation Small Cap Resources Index (benchmark)	30-Jun-08	-37.2%
ASX Accumulation 300 Resources Index	30-Jun-08	-28.6%
General market indices		
ASX Accumulation 200 Resources Index	30-Jun-08	-27.5%
ASX All Ordinaries Index	30-Jun-08	-13.2%
Dow Jones Industrial Average	30-Jun-08	-4.4%

However, an encouraging feature of the current portfolio as exhibited during the month of September has been the capacity for the fund performance to outperform the resource indices during a market recovery phase. We have the view that the market has oversold in response to the US financial crisis and while share prices may not recover to levels experienced in the earlier part of this year, we expect some attractive short term gains.



**LimeStreet
Capital**



Note: ASX 300 Resources Index includes BHP Billiton and Rio Tinto and presented for comparison only. All indices set to 1.0 as at 30 June, 2008

Since the end of the quarter, all investors will have felt the brunt of panic selling across global stock markets. This irrational selling pushes many share prices well below fundamental valuations and assume the world will move into a bleak and long recession.

We are more optimistic than this scenario and while shares have fallen dramatically, there is scope for a partial recovery with share prices moving to more rational levels, *albeit* in line with a more subdued growth outlook.

Future Strategy

We are hopeful of stability emerging in markets in coming weeks and bring a welcome sigh of relief to investors. This will no doubt involve a modest bounce and ongoing trading opportunities for the fund.

We will focus on trading selected larger cap stocks to hopefully maintain our ongoing outperformance of the resource indices. We have structured the portfolio to include volatile mid-tier resource companies which maximise these trading opportunities.



LimeStreet
Capital

Asset Allocation

Asset allocation has varied during the quarter from 100% cash to around 10% at the end of the quarter. Oz Minerals has held maximum weighting in the portfolio and there is modest exposure to energy and nickel stocks.

Website

Investors should be aware that the LimeStreet Capital is now operating and is available at www.limestreetcapital.com. It displays unit prices and past performance data.

The website also has a client log in facility.

Yours sincerely,

Stephen Bartrop

Managing Director