

Distressed Debt Fund

Investment Update - November 2008

Unit price and distribution

As at the most recent unit price calculation on 30 September 2008, Unitholders (per unit) have invested \$0.87, received \$1.535 in distributions and own units valued at \$0.1986.

General comment

Financial markets worldwide had (and continue to have) a very challenging time during the past year, with credit markets tightening dramatically and equity markets declining. This has placed pressure on the fund's existing investments and reduced opportunities available in the market. However, it is anticipated that the continued deterioration in economic conditions will produce more distressed opportunities in the period ahead.

Underlying investments

The Fund currently has exposure to three investments across a variety of sectors, including underground mining services, medical services and security software services. A brief update on these is provided below:

1. National Medical and Imaging Group Ltd (NMIG)

During the year the sale of NMIG's shares in the Medical business to Healthscope was completed. The sale of the Day Surgery business is in its final stages.

The radiology business continues as a national operation, with the operational performance continuing to improve.

2. Walter Diversified Services Ltd. (WDS)

WDS reported strong operational results for 2008 with Net Profits After Tax up 62%. Despite downward volatility in financial and share markets which have adversely affected its share price, the outlook for WDS remains positive with the company announcing an alliance water pipeline contract during the quarter and solid revenue guidance for 2009, the majority of which is currently secured contracts. The company considers itself well placed to continue its strong and sustainable growth.



3. Zone Products Australia Pty Ltd (Zone)

Zone has developed and distributed a range of security control and monitoring systems and devices. Zone will be receiving revenues from new contracts commencing in December, and has continued developing software with the first installed sales for a new release occurring in October and November.

However, delays in commencement of several radar projects arising from capital expenditure restrictions in the current uncertain economic environment have adversely impacted year to date and full year performance.

The process of getting the business ready for sale has commenced during the past quarter, with marketing of the business and its IP due to commence in November.

Calls on units

Units in the Fund are currently paid up to 87 cents per unit, with a maximum of another 8 cents per unit to be called. The timing of the final calls depends entirely on when Helmsman requires the capital and we will advise you as soon as possible of any call with at least 14 days notice.

Unitholder information

Should you have any enquiries regarding your unit holding, you should contact Registries Ltd on 02 9290 9600. If you have any questions regarding your investment in the Distressed Debt Fund, you should speak with your financial adviser in the first instance or contact us on 02 9250 6500.

Disclosures

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