

Distressed Debt Fund

Investment Update - April 2009

General comment

The current financial year is proving to be extremely challenging for investors in capital markets around the globe. The Manager of the fund, Helmsman Funds Management (HFM) view the increasingly volatile markets as likely to provide an improving environment for potential special situation opportunities in 2009/10, albeit a testing environment in which to realize the remaining assets in the Fund.

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)

NMIG owns 13 comprehensive radiology practices and one day surgery, operating in Western Australia, Queensland and Victoria. Building scale is the current aim and an offer for a Victorian based diagnostic imaging business was made in late March.

The sale of the Day Surgery did not proceed. Obtaining equipment finance is proving difficult in the current environment and remains a focus for management.

2. Walter Diversified Services Ltd. (WDS)

WDS is a leading provider of specialist services to the mining, pipeline and infrastructure sectors.

The Fund retains a 2.41% shareholding in WDS valued at \$2.5mIn as at 31 March 2009. HFM continues to review opportunities to maximise remaining investment value.

3. Zone Products Australia Pty Ltd (Zone)

Zone is a provider of perimeter security, software and devices.

The process of preparing the business for sale commenced during the quarter. A preferred party has been identified and a offer to purchase the fund's interest is expected, pending completion of due diligence.

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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