

Quarterly Update – December 2008

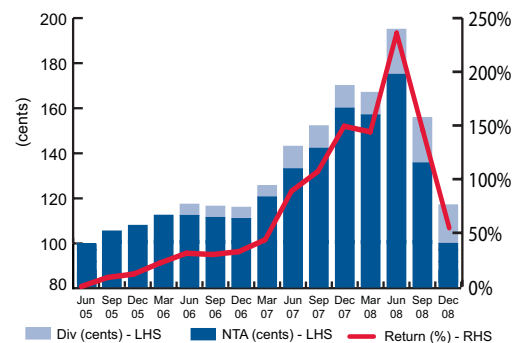
Quarter Highlights

- The portfolio was again adversely impacted by continuing broader equity market weakness in the December quarter, falling in value by 37.0%.
- Net assets per share, after allowance for tax and operating costs fell to \$0.97 (\$1.36 at 30 September 2008). The equivalent figure at 30 June 2008 was \$1.75.
- Approval from shareholders at November AGM for an application to list the company's shares on ASX at a time considered suitable by Directors.

Portfolio Performance

- The portfolio generated an overall return of -37.0% for the quarter. Total return for the six months of since 30 June 2008 was -53.9%.
- Gross value of the portfolio fell to \$110.1 million (\$184.0 million at September 2008) due to the performance and the payment of the dividend.
- Portfolio performance is calculated before any allowance for fees and taxes and excludes funds held by the company for operating purposes.

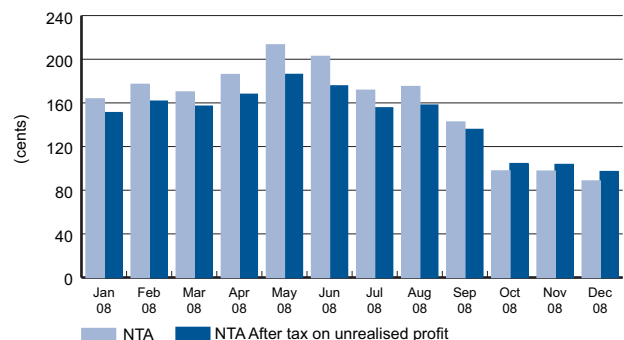
Quarterly Portfolio Performance Since Inception



Monthly Net Assets Per Share

- The company reports a net asset per share (NTA) figure on a monthly basis. The figures reflect the impact of portfolio performance on assets and makes allowance for all costs and taxes, with the lower figure making an additional allowance for tax on unrealized profits.
- Over the quarter, the NTA (after provision for tax on unrealized profits) fell from \$1.36 to \$0.97. Prior to allowance for tax credits on unrealized losses, NTA was \$0.88 per share.
- For the latest NTA, please refer to the Company's website: www.westozfunds.com.au

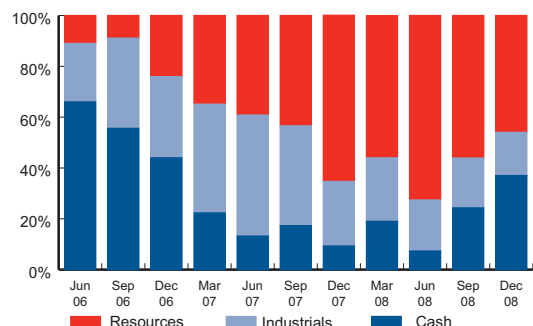
Monthly NTA, Calendar Year To Date



Portfolio Composition

- Cash represented 37% of the portfolio at 31 December 2008. This compares to 24% at 30 September 2008.
- Within the equity component, the allocation between industrial and resource shares remained reasonably steady over the quarter. At the end of the period resources shares represented 73% of equity holdings (74% at 30 September 2008)
- Investments in 13 separate companies were held at 31 December 2008 (17 at 30 September 2008). 3 of these represented 5% or more of the portfolio.

Investment Mix



Outlook

The last two quarters have seen financial markets experience the most dramatic movements seen in modern times. Our view is that the markets have now priced in the reality of a major downturn in the real economy, which will unfold over calendar 2009.

Some companies will struggle to survive in this environment. However, others are well placed to navigate the difficult times ahead and emerge from the downturn in a strong position.

Our relatively high cash position and concentrated stock portfolio allows us to establish a portfolio over the coming periods that will generate the desired level of positive returns over the medium term.