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BLUEPEAK VENTURE CAPITAL TECHNOLOGY FUND

MARCH 2009

Performance Summary

During the quarter the outlook for the Fund's investment portfolio, managed by Allen & Buckeridge Asset Management Limited (A&B), remained positive, despite the global recession. The objective of the Investment Manager is to develop exit strategies for the 6 remaining investments, and to exit individual investments as soon as possible at fair value. A&B will also continue to monitor four sold investments:- (Halftec (formerly Fultec), eChoice, Sententia and RBN' to ensure collection of earn out and extended payment schedules.

Key Fund developments during the quarter include the receipt of the funds first tranche of the earn out payment from Sententia according to the share sale agreement signed in August 2008 and distributions from FirstFolio from the eChoice sale.

During the quarter a short term loan of \$43,560 was made to NextGen Gaming as part of a secured loan facility set up by Allen & Buckeridge and the A&B III co-investors. This loan is due to be repaid in October 2009.

A distribution of funds recently returned to the Fund was planned for early March 2009 however was delayed until mid April 2009 to allow for the inclusion of additional funds returned to the Fund from eChoice.

Context

In reviewing the performance of the Fund it is important to keep its results to date in context:

- A total of \$23m was raised in the BluePeak Fund that was applied to a \$132m co-investing pool including \$105m from the wholesale Allen & Buckeridge III Trust and \$4m from the Allen & Buckeridge Venture Partners Fund;
- It is now 9 years since the first closing in March 2000. The Fund runs until October 2010.
- Of the original investments 7 have been sold and 2 small seed investments written off. 6 investments are currently being actively managed by A&B.
- July 2005: Vintela Inc was sold for a 5x return and the proceeds from the sale have been distributed
- June 2006: AGN International was sold for a loss, returning 25% of capital.
- June 2007: Hitwise was sold for US\$260m cash, an escrow of \$857k was released to the Fund in December 2008. These funds have been distributed to investors.
- September 2007: The Australian unit of Communicator Interactive was sold to BlueFreeway Limited in September 2007. The Fund has received \$209k cash and 142,672 BlueFreeway shares as its share of the total consideration. Most of these shares were sold before the recent market collapse. The proceeds from the sales to date have been returned to the Fund. The remaining business unit in New York, t/a Safari Sundays, is growing.
- May 2008: RBN sold its asset to Sorrento for US\$2.5m on an earn-out basis. A small return to the Fund is expected if the estimated earn out is achieved.
- August 2008: Sententia was sold to its management for an initial payment of \$1.5m and an additional two payments on an earn-out basis are due in March 2009 and March 2010.
- September 2008: The circuit protection assets of Fultec were sold to Bourns Inc of California. Initial consideration paid will grow with an earn-out over the next two years. The power FET R&D assets were sold to Fairchild Semiconductor for \$500k.
- October 2008: eChoice was sold to First Folio Ltd for an estimated consideration of \$5.5m to be paid over 4 years from the proceeds of the commission trail in the loan book.
- All of the remaining capital is called and cash is reserved for follow-on financing requirements and to meet operational costs.

Quarter Highlights and Investment Exit Plans

- ✓ **NextGen Gaming:** Provided that the CY09 growth targets can be achieved, the objective of the Company is to grow through acquisition as soon as mergers can be negotiated. Two potential transactions involving listed companies in the UK and Australia which would provide a route to liquidity after a couple of years of value – building are being evaluated. This would mean an exit at a value that would yield the Fund more than twice its investment cost.
- ✓ **eKit.com:** International travel is down in CY09 despite unprecedented price discounting by airlines and hotels. Consequently, eKit are forecasting lower revenues and profits than for CY08. The company is however being presented with the opportunity to build share as competitors fall away. The recession will retard growth in the sales of SIMs to less than the target for CY09. A new Travel Journal service has been released with some 10,000 users interacting with the product so far. Management think that a 2-3 year period is required to achieve a trade sale at levels that would return the Fund around three times its investment.
- ✓ **Netstar:** The objective of both VC shareholders of Netstar is to sell in a trade sale as soon as possible provided fair value is achieved. Some interest has been expressed by a Japanese company but negotiations have yet to commence. Netstar is profitable in all geographies and is positioned to be a consolidator if it can be merged with a listed entity. Two potential candidates in Asia are being evaluated. A&B's objective is to secure an exit by September 2010. If the business is not sold in CY09 by its major shareholder, Baring Private Equity Asia, A&B's objective is to recover only part of the funds invested in Netstar (given the large write down after losses in China in 2002).
- ✓ **Safari Sundays (remaining business of Communicator):** A&B expect that this business will be acquired by a major marketing and advertising group by the later part of 2010, provided that it can diversify its client base sufficiently. This would complete the sale and exit from Communicator Interactive Group.
- ✓ **Millennium IP Pty Ltd (previously AGN):** Prospects for capital recovery of the funds invested in MIP are improving with a contest underway between established Filipino carriers to acquire two of the operating licences owned by MIP. Once this is completed it is expected that sale of SIM cards in malls throughout the Philippines will provide a cashflow stream that will redeem capital in 3-4 years. A trade sale of the shares held in MIP is not expected.
- ✓ **Wishlist Holdings:** The Board is evaluating the potential to sell its Accumulate business unit to one of three global consolidators in the incentives and rewards area but do not expect an attractive offer. The directors consider that the business can be built to be larger and more profitable as the Australian recession abates and the technology platform is proven in the US. They consider that the right time to sell will be after 2010 results are known. The Managers objective is to yield the Fund an amount greater than its investment cost.

Unit Valuation: Based on the current valuation of the remaining investments, currency fluctuations and overheads over the last quarter a Stapled Security is valued at \$0.1035 as at 31 March 2009. Note that this figure includes provision for the April 2009 distribution.

The Fund has now returned to investors in cash by way of dividend, trust distributions and return of capital a total of \$0.74 for each \$1 invested under the Prospectus made up of \$0.3845 as capital returns and \$0.3555 paid as dividends.

A copy of this report is available on our website www.huntleygroup.com.au

Past performance is not a guide to future performance. Any view of the Investment Manager, Allen & Buckeridge, regarding the future performance of the Trust is based on its current market assumptions and is not a guarantee of future performance. The BluePeak Venture Capital Technology Trust is closed to new investments.

Any information contained in this publication has been prepared without taking account of any person's objectives, financial situation or needs. Because of that, each person should, before acting on any such advice, consider the appropriateness of the advice, having regard to their objectives, financial situation and needs. We also recommend that you seek independent legal and financial advice before making any decision about your investment in the Trust. The disclosure document, provided to you prior to investing in the Trust will contain information about the Trust and will usually include the costs associated with the Trust and details of their fees and charges, which may apply, including any commissions to third parties.

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