



# Annual General Meeting

28 November 2007

# Managing Director's Address

# Overview of Existing Business

- As at 31<sup>st</sup> October, WRF had \$335M FUM with \$290m in fixed term Property Syndicates and \$45m in a Diversified Property Fund (DPF).
- WRF generates fees from managing the DPF and the Syndicates.
- It also charges fees for acquiring new properties and forming new syndicates.
- New funds are raised through a network of financial planners and advisors.

# Overview of Existing Business

- A team of approximately 25 staff run the business from offices located in Perth, Melbourne and Brisbane.
- Investors have benefited from favourable market conditions with rising property values and low borrowing costs delivering overall returns above 10% per annum over the last 4 years.
- WRF has some other assets which include investments in mining tenements and forestry plantations, which have been divested.

# Review of Existing Business

- WRF Securities is a great company with a great team and with some exciting ideas for the future.
- The board has met its promise to recruit a new Managing Director with a sound track record in Funds Management and a clear strategy for growth.
- I feel privileged to have been appointed to this role.

# Review of Existing Business

- Market conditions are changing.
- We are moving into a more uncertain investment environment with an increasing weight of compulsory and discretionary savings looking to be invested into the same assets.
- Prudential regulations and competition are changing the range and nature of the investment products now available and how they are delivered.
- It is clear to me that the WRF Securities business model must evolve in order to grow and to remain relevant to its stakeholders.

# The Vision

- My vision is to grow our company from its current base as a boutique property funds management business to one specialising not only in the manufacture and distribution of intelligent and innovative property products but also other similarly stable investment solutions for both Retail *and* Institutional investors.
- Develop a dynamic, innovative and scaleable boutique business which will capture and grow new funds under management and deliver value to both investors and shareholders.
- Build an exceptional team of global investment partners and staff committed to finding and delivering the best investment solutions for what are increasingly volatile investment markets.

# What are these new Investments types?

- Generally these investment solutions are referred to as “Alternative Investments”.
- Alternative Investments include:
  - property assets,
  - infrastructure assets,
  - private equity investments, and
  - fund-of-fund hedge funds.
- All are designed to provide capital protection from falling stock market returns.

# The Appetite for Alternatives

- Many overseas boutique investment managers specialise only in these asset types. Their clients are attracted by the sound and stable returns and often reinvest the gains from their listed investments into these types of assets.
- Many of the large Superannuation Funds have already allocated a significant portion of their funds to Alternative Assets. We expect this trend to continue and also to be increasingly in demand by the growing self managed superannuation fund sector, financial planners and other advisors on behalf of retail investors.
- The next slide sets our proposed alternative asset classes.

## INVESTMENT MANAGEMENT DIVISION

GLOBAL & DOMESTIC DIRECT PROPERTY	GLOBAL PROPERTY SECURITIES	GLOBAL REAL ESTATE PRIVATE EQUITY	GLOBAL ALTERNATIVE STRATEGIES	GLOBAL INFRASTRUCTURE
<b>INSTITUTIONAL INVESTMENT PRODUCT SET</b>				
Direct Diversified Property Fund	Global Direct Property Swaps		Dynamic Global Derivatives Overlay	Mature Infrastructure Assets
Retirement Living Fund	Global Listed/Unlisted Property Securities	Global Real Estate Private Equity Fund	Fund of Fund Global Hedge Funds	Developing Infrastructure Fund
<b>RETAIL INVESTMENT PRODUCT SET</b>				
Diversified Property Fund	Combined Global Property Portfolio	Global Private Equity Syndicates	Combined Alternatives Strategies Portfolio	Combined Infrastructure Fund
Retail Retirement Living Fund				
Land Subdivisions				

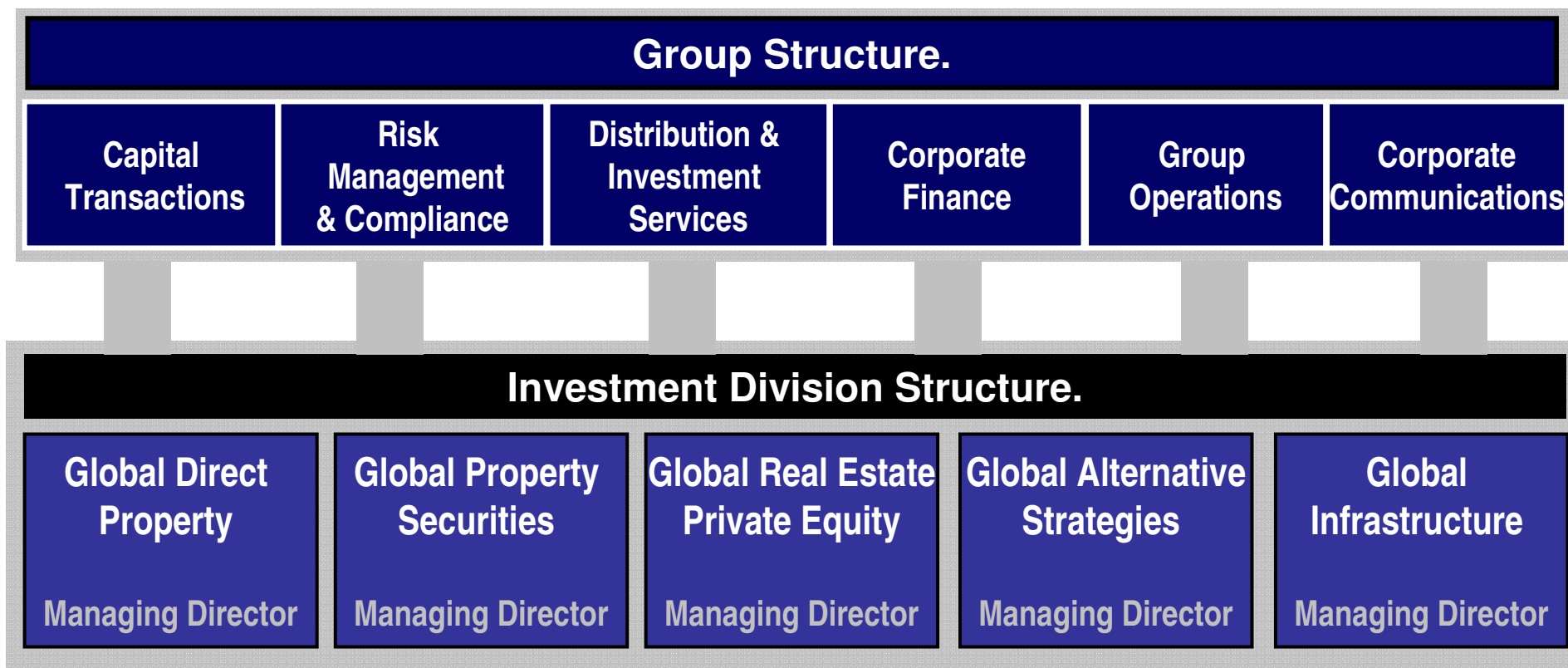
# Positioned for Growth

Strong industry and market fundamentals underpin our new business strategy. These are:

- The number of large wholesale and retail investment funds currently seeking new investment opportunities.
- The emergence of superannuation choice and the rapid growth in self managed superannuation funds.
- Increasing volatility in the listed investment sector.
- The increasingly global nature of investment markets requires specialist skills and market knowledge.
- Retail investors are demanding a broader range of investment solutions similar to those available to institutional investors.

# Implementation

A corporate structure which delivers group services to the individual investment divisions.



# A New Name for the Company



# In Summary

- Viento Group has a sound base upon which to build a new future.
- We will continuously deliver a pipeline of new alternative investment products across 5 investment divisions in order to accelerate growth in Funds under Management.
- We have already recruited many of the new partners and staff needed to implement the strategy.
- The growth in money available for investment will ensure continued growth in Funds managed domestically and Internationally.
- I am confident shareholders will benefit from these changes over the next 12 -18 months.