

November 2011 NEWSLETTER

2011: Same Old Same Old

As I get around seeing investors, the same messages keep coming back. Risk off and sitting in cash. Family Offices are going 40-50% to cash and there is a quietly quietly round of fund redemptions going on. The risk adverseness is due to a couple of things. Term Deposits are still short dated but showing 6% pa in Australia, but as you get out along the curve these rates start to really fall off. So why take risk at these rates? The second reason is the uncertainty surrounding Europe. There are two schools of thought. Firstly that there will be some form of Eurobond issuance or partial break up of the Euro zone (my humble take). At the same time, the US news looks encouraging. Unemployment is dropping, slowly, and corporate America looks quite healthy. Looking at China, even if the extreme views are correct, and I doubt it, Chinese authorities have the ability to manage a slow down. From an economic standpoint Australia should hold up but in it's two tier form. That is, resource based activity will continue to strongly contribute to growth whilst other segments of the economy will deteriorate.

So what about Hedge Funds? In a way, a risk asset, although some will argue a defensive asset. A couple of things that I have noticed over 2011, is that the industry is down to the end of November. Interestingly, the declines are in line with Equity market declines but without the volatility. So looking the HFRI Fund of Funds Index, it is down 5% to end of November. The intra year drawdown was 7%. The MSCI World is also down 5% to November on an intra year drawdown of 20%. The S&P in spite of everything that has been going on in the world, is only down 2%. But intra year it has been down 20%. I've said this before, Fund of Funds are steady investments. The hedgefund.net FoF index which goes back to 1980 annualizes at 12% with a SDev of 8%. HFRI is similar but starts in 1990. I know everyone talks about the fee layers but this is less significant post 2008. For a significant mandated level of assets, you can partner with a FoF group and pay 50-70 bpts, maybe less. Individual hedge fund managers

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are less inclined to discount but there are around. My view is that Fund of Funds will make a significant comeback, maybe not 2012 but at some stage. Fund of Funds are steady as you go, and that will be recognized by investors who want a consistent low vol return, net of fees.

What about the Australian hedge fund scene? Again, most aussie managers really struggle to raise assets. I might do a quick review of some of the Australian Hedge Fund Award winners looking at their YTD 2011 performances (Nov and Oct). Firstly the ASX 200 is down -13% YTD. Over the same period, Evergreen Australian Equities Best Emerging Manager 2011, is up 16% with an intra year drawdown of 4%. Their CAR is 33% on a SDev of 11%. Optimal Australia Absolute Trust is up 6% on an intra year drawdown of 1.3%. They are annualizing at 15% on a SDev of 4%. Regal Tasman Market Neutral, Australian Hedge Fund of the Year 2011 was up 24% on an intra year drawdown of 5%. Their annualized is 26%, with a SDev of 15%. Merrick's Soft Commodity Fund is up 4% with an intra year drawdown of 2%. They are annualizing at 12% with a SDev of 7%. Kapstream's Absolute Return Income Fund is up 5% with no intra year drawdown. They are annualizing at 6.5% with a SDev of 1%. These performances are outstanding in the light of difficult market conditions.

Unfortunately none of these managers will be knocked over in the rush to be allocated money. 2012 will be just as testing as 2011. But at some stage, investors will move from being risk adverse with funds in cash to looking for managers. The Aussie group of managers make a compelling argument for allocation. This is nothing new. We see the same managers pop up year in year out. It's such a pity that we can't get traction for this excellent group of managers.

Merry Christmas to everybody and have a Happy New Year! Watch out for our electronic Christmas card which will have a link to Cure Our Kids for a chrissie donation! Damien Hatfield.

Institutional investor outlook for hedge funds - Preqin

Preqin has released its report on the ‘Institutional Investor Outlook for Hedge Funds’ in 2012. Key findings:

- Satisfaction with hedge fund performance fell in 2011, with 40 percent of investors interviewed experiencing returns that did not meet their expectations. (28 percent in 2010 and 27 percent in 2009).
- However, 53 percent intend to keep allocations to hedge funds same in 2012, 9 percent to decrease allocations in 2012, and 38 percent to increase allocations.
- 49 percent intend to maintain existing relationships and add new managers, and 21 percent will consider new managers on an opportunistic basis.
- The top five strategies sought are long/short equity, global macro, CTA, event driven and credit.

Details at

http://www.preqin.com/docs/reports/Preqin_Special_Report_Hedge_Funds_2012.pdf

van Eyk’s SAA allocates 20 percent to alternatives

van Eyk Research’s latest annual strategic asset allocation (SAA) review features a 20 percent allocation to alternatives – making it the second largest asset class in its model portfolio.

The SAA model includes;

Asset class	Percentage allocation
Australian equities	28
alternatives	20
fixed interest	18
global equities	17
listed property and infrastructure	12
cash	5
Total	100

The allocations are similar to the SAA model created in 2008 in the early stages of the global financial crisis, according to van Eyk’s chief executive Mark Thomas speaking to Money Management.

Preqin releases survey of Investment Consultants views on hedge funds

Preqin has released a research report based on interviews with 70 leading investment consultants in private equity, private real estate, infrastructure and hedge funds.

Highlights;

- Hedge fund investment consultants feel that the more established markets in the regions of North America (77 percent) and Europe (60 percent) will present the best investment opportunities in the asset class over the next 12 months. Asia only attracted 46 percent of consultant’s votes
- The most attractive strategies for consultants were event driven, macro, and long / short equity although rankings were close and no single strategy stood out.
- 54 percent said they and their clients will invest more capital into hedge funds in the next 12 months than they did last year, and nearly a third are planning to invest the same amount.
- The report also revealed the common mistakes that managers make when pitching to consultants. These included;
 1. A tendency to overstate their track records.
 2. Being overly pushy.
 3. Not differentiating themselves from every other firm.
 4. Focusing too much on comparative IRRs and multiples rather than on how value was created and how they see the markets, and the possibilities for creating value going forward.

Details at

http://www.preqin.com/docs/press/Preqin_Alternative_Investment_Consultant_Outlook.pdf

People on the move

The \$28 billion Melbourne based UniSuper has hired Mark Himpoo to develop an in-house investment strategy, according to I&T News. Himpoo was previously head of fundamental Australian equities at BlackRock. He will report to

John Pearce, UniSuper's CIO, who leads a 30-strong investment team that manages \$6 billion inhouse.

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Macquarie Private Wealth has appointed Mark Chartres to its Melbourne office as a senior investment advisor. He was previously Intersuisse's head of wealth management. MPW has grown its advice team by more than 20 in the past few months, according to the division's head, Eric Schimpf, speaking to InvestorDaily.

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London based CQS has hired Louise Walker in Sydney in a client facing role. She previously worked at Tria Investment Partners and Macquarie Group but now reports to Paul Chadwick, managing director of CQS Investment Management (Australia). CQS manages around \$11 billion and was founded by Australian Michael Hintze

University of Sydney endowment to boost alternatives

The University of Sydney's \$800 million endowment fund could increase its allocation to alternatives, according to I&T News citing Gregory Fernance, director of the investment and capital management office at the university.

The endowment currently has about 80 per cent to 85 per cent allocated to traditional asset classes and 20 to 25 percent to alternatives.

"It (alternatives) could be higher," Fernance told I&T. The endowment has a target of 8 percent annual returns

Aberdeen's FoHF to expand in Asia

Aberdeen Asset Management's fund of hedge fund (FoHF) business is planning to become more active in Asia. Andrew McCaffery, the firm's global head of hedge funds, told AsianInvestor that;

- Next year, the firm plans to appoint dedicated FoHF staff in Asia to meet hedge fund managers and gather market information.
- Aberdeen intends to grow its FoHF investor-base in Asia, which currently comprises about 5-10 percent of its global total.

- The FoHF business manages about \$5.5 billion across multiple funds, including one focused on Asian managers.
- Aberdeen runs a total of \$280 billion in assets, of which \$40 billion is in its alternatives division.

Investor and FoHF developments

The \$1.2 billion Prime Super aims to increase its investments in alternatives from 30 percent to 37.5 percent. Alternatives include property, infrastructure, private equity and credit instruments managed by Access Capital Advisers, according to Lachlan Baird, the fund's chief executive speaking to I&T News.

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HFA Holdings expects its EBITDA to fall to around US\$3-4 million in the six months to 31 December 2011 from US\$10.1 million a year earlier.

The ASX-listed FoHF says the drop in earnings is due to a fall in performance fee revenue as a result of the volatility in the global markets. In addition, there were one-off expenses relating to the departure of former CEO and founder, Spencer Young, who left the firm at the recent AGM, as well as other staff restructuring.

The firm's asset under management and advice stood at US\$6.03 billion as at 31 October 2011. HFA had net inflows of US\$840 million in the 10 months to 31 October 2011.

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Titanium Asset Management has appointed Paul Stanley as a senior portfolio manager with co-responsibility for the firm's ASX 200 long/short fund, alongside Titanium's CIO Peter Rice. Stanley was previously a portfolio manager for UBS Global Asset Management but left the firm in 2008, according to InvestorDaily.

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Challenger has appointed Cathy Hales as a GM for its boutique partnerships, replacing Michael Lovett who has joined Vanguard. Hales was previously COO for client relations at RREEF in New York. She will work with Challenger's CFO Brendan O'Connor to manage the boutique business which has \$14.8 billion in AUM.

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2011 is likely to be the strongest year for institutional investment in hedge funds since 2007,

according to analysis by US-based Pensions & Investments (P&I) magazine.

Hedge funds received net inflows of US\$39.9 billion in the first 11 months of the year, compared to \$32.3 billion for all of 2010 and a record \$66.1 billion in 2007.

P&I says its estimates of inflows is likely to be lower than actual, since many mandates or allocations are never announced publicly.

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Asia ex-Japan's institutional investors will outsource an estimated US\$1.07 trillion by end 2011 to external managers, according to Cerulli Associates. The amount is equivalent to 11.4 percent of the region's total investable assets. Cerulli expects North Asia to continue to account for most of the outsourcing opportunities, with China having the most addressable assets in absolute terms.

Calpers likely to boost hedge fund allocations

The US\$228 billion [California Public Employees' Retirement System](#) is likely to increase or maintain hedge fund investments next year, according to the fund's CIO Joseph Dear in an interview with Bloomberg in Hong Kong.

Calpers currently has around \$5.2 billion in hedge funds, equivalent to 2 percent of its total AUM. 60 percent of its hedge fund investments are made directly by allocating to larger managers, while 40 percent is made via fund of funds, according to Dear.

Recommendations regarding the benchmarks, objectives, capital source and strategies for its hedge fund investments are to be made in spring 2012. The pension fund has a current target of 7.75 percent returns on its total portfolio.

ASIC proposing to more closely regulate research houses

ASIC has released a consultation paper proposing research report providers, including research houses, separate their business units as a strategy to manage conflicts of interest.

The proposed segregation would involve strict physical and electronic separation between ancillary business units such as consulting and

funds management services and the research business.

A key conflict of interest issue for research report providers is whether providers should accept payment from product issuers to produce research about the issuer's own products. ASIC is seeking feedback on this subject.

The initiative by ASIC is to improve confidence in the independence and quality of research reports.

Manager developments

S&P Fund Services has released its 'Alternatives – Futures' sector review, which includes Commodity Futures, CTAs, and Global Macro funds.

The review analysed 14 headline products, with three 'NEW' ratings on offerings from BNY Mellon, Man AHL, and Taurus. The BlackRock Asset Allocation Alpha Fund and Winton Global Alpha Fund were both rated five stars.

S&P says it is witnessing increased interest in the peer group after managed futures and directional macro products put in good performance during the GFC.

Meanwhile, S&P has reinstated its three star rating on the CFS Wholesale Australian Share Long Short-Core Fund, following the appointment of portfolio manager Wayne Gentle to replace Martin Littler who recently retired from CFS.

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Alternatives fund manager Blue Sky Alternative Investments is seeking to raise \$7.5 million as part of an IPO and ASX listing. The IPO will give the company a \$33.5m market capitalisation. A net profit after tax of \$3.5 million and an estimated yield dividend of 6 per cent is forecasted.

Blue Sky has \$180 million AUM and operates four investment management businesses covering Private Equity, Private Real Estate, Hedge Funds and Infrastructure/Commodities.

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Regal Funds Management was recently profiled in the Australian Newspaper. The hedge fund manager currently has over 20 employees and more than \$1 billion under management. It recently launched a natural resources fund.

Meanwhile, Bloomberg reports that the firm has launched the Regal Asian Quantitative Fund with

\$25 million in initial capital. It is being managed by Stephen Baldwin.

About 40 percent of AUM in Regal's flagship Amazon Market Neutral Fund comes from family offices, 40 percent from institutions including endowments, and the remainder from fund of funds and foundations, according to Bloomberg.

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The ASX will offer quotations and settlement of unlisted Australian managed funds from April 2012. The exchange will use its settlement system in a similar way to managed funds in Europe being quoted via Euroclear and Clearstream, and in the US via the Depository Trust & Clearing Corp.

There are around 10,000 managed funds in Australia typically offered by financial planners and stock brokers.

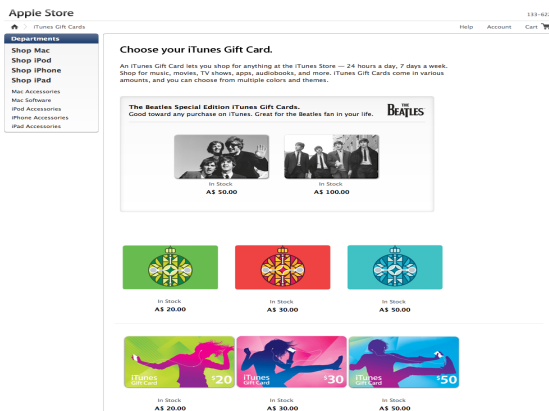
Hatfield's Gadget Corner: Last Minute Chrissie ideas

So just a couple of last minute digital ideas.

iTunes Gift Cards

This is so easy and means that recipients can buy, albums, books or apps. Even TV shows and Movies.

I'm on the US, UK and Australian stores and prices and selection vary across all stores.



In terms of a couple of my recent purchases, here's a couple of recommendations.

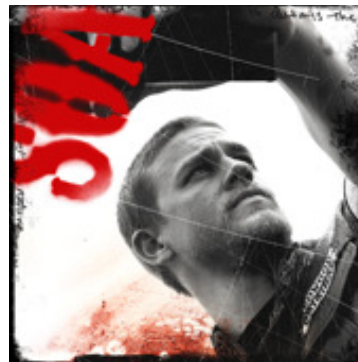
Boardwalk Empire Season 2 is now available on the Australian iTunes Store.



Game of Thrones is an awesome series and is also available on the Australian Store. Season 2 is just around the corner.



Sons of Anarchy is fantastic. Now just finalized Season 4. On the US store.



And what about Breaking Bad. This is one of the best shows around.



For a bit of Australian content you can't go past Rake from the ABC.



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THE AUSTRALIAN HEDGE - HEDGE FUNDS PERFORMANCE SURVEY

Fund Name	Last Reporting Month %	Year To Date %	Annualised (M) Compound Return %	Annualised (M) Standard Deviation%	2010 Return %	2009 Return %	2008 Return %	2007 Return %	Inception Date	Last Reporting Month
Cash Based										
PM Capital Enhanced Yield Fund	0.20	4.37	6.99	2.43	7.55	10.96	0.83	6.05	Mar-02	Nov-11
Event Driven										
Kima Pan Asia (AUD)	-0.95	-2.28	8.88	6.31	11.77	12.45			Jul-09	Nov-11
Macquarie Special Events Fund	-0.72	-2.10	10.54	6.04	7.60	41.32	-5.11	12.70	Oct-03	Nov-11
Pengana Asia Special Events Fund	0.30	5.20	7.05	4.50	6.00	14.27	-0.94		Jul-08	Nov-11
RAB Cross Europe Fund Ltd Class B (USD)	0.20	-3.21	6.82	5.77	0.12	1.05	0.29	2.07	Nov-98	May-11
Fixed Income										
BlackRock Fixed Income Global Alpha Fund Ltd (Dublin)	1.52	8.56	11.88	6.46	15.00	31.98	-5.15	6.07	Oct-06	Jun-11
HCAP Diversified Fund (AUD)	11.73	-1.90	7.86	14.77	17.05	0.69			Dec-09	Oct-11
Kapstream Wholesale Absolute Return Income Fund	0.11	5.12	6.46	1.00	6.71	7.77	7.04	2.41	Jun-07	Nov-11
QIC Global Fixed Interest Alpha Fund (AUD - Onshore)	-3.29	-9.14	6.14	6.50	1.45	13.60	7.67	11.21	Jul-05	Nov-11
RAB European Credit Opportunities Fund Ltd-Class B (USD)	1.39	5.04	8.94	10.92	8.24	46.35	-28.86	9.03	Jul-01	Oct-11
Ramius Global Credit Fund Ltd - Class B	-1.06	-3.45	7.17	6.97	17.06	2.79			Oct-09	Nov-11
Global Macro/Commodities/Futures										
36 South Cullinan Fund EUR	5.06	13.98	19.07	15.15					Mar-11	Nov-11
Active Global Commodities Fund (AUD\$)	-0.04	-4.15	9.27	12.76	12.65	7.00	1.37	16.89	Dec-99	Nov-11
Antipodean Capital Global Currency Strategy	13.14	46.98	10.50	20.92	1.57	-8.32	2.02	3.60	Feb-06	Oct-11
Argus Dynamic Multi-strategy Program	0.41	-7.10	15.16	25.15	4.27	-2.19	45.44	4.92	Oct-96	Sep-11
Aspect Diversified Futures Fund - Class A	-3.69	5.02	11.67	13.37	13.40				Apr-10	Oct-11
Attunga Agricultural Trading Fund (EurekahedgeHF)	-2.25	19.73	14.98	10.47	4.02	9.73	22.08		Apr-08	Nov-11
Attunga Power & Enviro (Offshore) Fund	-0.96	-13.86	-3.02	16.69	-10.58	27.01	-8.20		Jun-08	Nov-11
Attunga Power & Enviro Fund	-2.92	-9.60	17.32	21.69	-5.77	17.99	-6.75	86.79	Aug-06	Nov-11
BlackRock Asset Allocation Alpha Fund	-1.91	4.02	14.57	12.67	-4.58	1.40	52.59	38.51	Mar-06	Oct-11
BlackRock Global Ascent Fund	1.02	-0.45	18.50	14.76	17.70	18.43	-5.33	14.69	Feb-03	Oct-11
Blue Fin Capital - Managed Commodities Program (EurekahedgeHF)	-1.22	-1.44	7.40	6.96	13.98	-2.82	11.43	14.73	Apr-07	Nov-11
Blue Fin Capital - Managed Currency Program	0.99	4.61	8.35	11.64	4.50	5.14	8.75	-2.01	Jan-02	Nov-11
Blue Fin Capital - Omega Program	-3.00	9.27	14.41	9.43	23.51	-3.01			Nov-09	Oct-11
Blue Fin Compact Omega Program	0.00	-9.50	31.79	32.27	70.91	20.32			Sep-09	Nov-11
Blue Sky Apeiron Global Macro Fund - Class A (EurekahedgeHF)	1.94	4.27	10.45	10.77	4.99	-1.68	19.52	20.79	Feb-06	Nov-11
Blue Sky World Inc. (Class A)	-2.16	-18.05	11.83	24.02	5.79	22.66	-3.95	75.75	Feb-06	Oct-11
BT Global Macro Fund	-0.94	-0.77	2.23	3.92	7.56	6.49	-6.18		Sep-08	Jul-11
Camelotfund Capital Guaranteed FX Program Series 1	0.32	11.63	5.18	4.66	4.71	0.47	4.44	3.23	Mar-07	Oct-11
Commodity Strategies - Long Only	-0.28	-4.65	11.41	13.09	9.41	27.78	10.47	25.08	Dec-99	Nov-11
Commodity Strategies Ltd - Global Commodity Fund Long-Short	2.06	-7.21	12.50	20.15	8.67	21.07	20.82	10.75	Oct-07	Nov-11
Discretionary-6V Portfolio (USD - Offshore)	-0.04	2.38	7.94	5.46	7.12	17.09	8.66	-6.93	Sep-03	Nov-11
eStats Revolution Master Fund Ltd	0.55	-34.29	-39.59	20.10					Jan-11	Oct-11
Excalibur Absolute Return Fund	-0.04	-4.08	11.19	8.10	10.38	0.98	12.23	21.39	Jul-06	Nov-11
Excalibur Futures Program	0.00	6.19	15.49	23.89					May-11	Sep-11
Global Commodities Agricultural Fund	-1.08	-12.73	6.32	13.56	35.27	-8.34	1.50	46.99	Jan-00	Nov-11
Global Trading Strategies (Cayman) Fund	-1.06	-7.52	11.60	12.58	-1.07	-3.78	44.85	27.30	Nov-06	Jul-11
GMO Systematic Global Macro Trust - Class B	2.41	8.93	11.67	10.11	14.00	9.38	12.03	15.77	Feb-06	Nov-11
H3 Global Commodities Fund - Class AUD	0.42	-12.57	5.27	13.75	7.32	13.35	-2.53	14.55	Nov-05	Oct-11
H3 Global Strategies Fund	-3.71	1.07	-0.47	7.99	-4.89	-4.27	6.88		May-08	Oct-11
HCAP Global Diversified Fund (AUD)	8.27	28.19	19.54	13.08	9.59	1.71			Nov-09	Oct-11
Headland Global Diversified Fund	0.08	-1.94	5.80	9.44	11.11	3.90	1.61	9.96	Nov-06	Nov-11
Investment Science Access SRA-16 Fund	-4.99	12.54	20.87	19.78	14.75	7.87	51.80	0.92	Nov-07	Oct-11
Investment Science Alliance SRA-16 Fund	-4.85	13.03	13.48	20.86	6.95				May-10	Oct-11
ISAM Systematic Fund	4.11	-3.66	16.03	19.04	17.70	11.48	77.78	10.85	Jun-01	Nov-11
K4D-10V Portfolio (USD - Offshore)	-2.17	-13.63	8.74	12.64	3.06	1.15	21.82	12.72	Feb-95	Nov-11
K4D-15V Portfolio (USD - Offshore)	-3.26	-19.53	12.34	18.20	4.52	5.11	35.63	16.90	Feb-95	Nov-11
Kaiser Trading Fund 1X SPC	-3.32	-4.72	5.16	5.99	4.66	-4.32	8.39	11.76	Apr-04	Oct-11
Kaiser Trading Fund 2X SPC	-2.83	-10.37	4.69	9.83	9.62	-7.78	15.30	19.55	Oct-06	Nov-11
Kaiser Trading Fund 2X SPC (EurekahedgeHF)	-6.21	-7.76	5.40	9.79	9.84	-7.78	15.28	19.54	Oct-06	Oct-11
Kohinoor Series Three Fund	1.77	4.04	14.26	12.90	0.44	-1.85	73.31	7.05	Aug-05	Nov-11
Macquarie Commodity Alpha Segregated Portfolio	-0.96	-0.96	2.89	5.57	-6.41	1.83	8.68	7.44	Sep-07	Jan-11
Merricks Capital Soft Commodities Fund	2.47	3.71	12.12	7.39	16.09	20.35	8.04		Jan-08	Nov-11
MGH Investment Fund Ltd	-1.99	-4.34	11.44	11.34	16.22	16.61	-21.67	10.03	Jan-03	Nov-11
Pengana Global Volatility Fund - Class A	-16.60	-16.38	0.50	52.83	-16.38	12.89	4.23	2.92	Nov-07	Apr-10
Premier Global Select Fund	-1.34	-9.59	4.38	8.55	0.59	13.39	-15.65	6.57	Oct-01	Nov-11
Proprietary Matrix-10V Portfolio (USD - Offshore)	-2.23	-11.67	8.80	12.26	10.57	15.46	25.14	8.48	Jul-99	Nov-11
RAB Energy Fund - Class B-1	-3.69	-29.73	11.11	23.82	46.58	86.90	-60.11	4.96	Jun-04	Oct-11
RAB Octane Fund Ltd. Class D (USD)	-1.29	-9.36	4.78	12.89	30.71	11.86	-31.12	16.86	Jul-00	Oct-11
RAB Special Situations Fund (USD)	7.36	-13.01	11.31	36.21	-8.74	4.94	-69.76	9.45	Jul-03	Oct-11
RTM Absolute Return Fund	0.00	0.68	6.91	5.20	1.94	8.69	6.57	7.00	Sep-05	Feb-11
Taurus Precious Metals Strategy	5.12	8.46	23.09	16.76	32.61				Feb-10	Oct-11
Long/Short Equity										
8IP Asia Pacific Partners Fund	13.02	-24.20	-3.58	28.21	23.78				Feb-10	Oct-11
90 West Global Basic Materials Fund (AUD - Onshore)	3.67	-23.87	17.87	23.87	73.07	49.03	-11.90		Jul-08	Oct-11
Agora Absolute Return Fund	6.07	-4.77	6.63	8.95	-2.12	23.99	-12.23	9.78	Mar-04	Oct-11
Allard Growth Fund	-3.40	-6.03	12.66	13.31	19.90	49.20	-28.83	16.89	Jan-96	Nov-11
Allard Investment Fund	-1.20	-6.58	11.26	9.73	8.97	25.45	-13.82	15.56	Jul-03	Nov-11
AR Capital Management The Ascot Fund	-0.72	0.23	10.24	5.73	-2.69	20.01	5.24	26.07	Aug-05	Jun-11
Arnhem Long Short Australian Equity Fund	5.78	-7.35	8.86	15.35	-1.44	51.49	-30.28	22.25	Jun-05	Oct-11
ArteFact Partners Global Opportunities Fund Ltd.	-0.08	-13.65	-7.33	15.95	-13.65	14.10	-38.99	17.11	May-06	Jul-10
Atrium Equity Plus	4.56	6.25	0.36	6.72	-4.18	-1.16			Oct-09	Jun-11
Aviva Investors High Growth Shares Fund	5.81	-7.34	10.99	13.78	2.27	43.54	-32.84	23.84	Dec-99	Oct-11
Aviva Investors Long Short Equity Fund (Gross Returns)	-1.74	0.08	4.69	14.87	0.65	38.76	-31.36	18.12	Feb-06	Jun-11
Bennelong Kardinia Absolute Return Fund	2.31	3.75	14.80	8.90	9.34	25.47	0.30	16.36	May-06	Oct-11
BlackRock Equitised Long Short Fund	8.54	10.17	16.37	15.75	-0.84	53.45	-45.91	38.48	Dec-01	Oct-11
Blue Sky Japan - Class A USD	-0.19	-23.59	5.54	24.16	4.68	24.39	-17.97	-35.08	Jun-00	Oct-11
Cadence Capital Limited (EurekahedgeHF)	0.01	26.14	16.53	17.46	24.88	45.37	-34.73	3.89	Oct-05	Nov-11
Ellerston Asia Pacific Fund	-0.74	-1.64	2.24	8.19	17.59	5.09	-16.73	6.75	Sep-07	Feb-11
Enlitan Global Opportunity Fund	4.54	4.30	5.47	6.55	4.30				Apr-10	Oct-11
Equity Trustees - EQT SGH Wholesale Absolute Return Trust	-1.62	-10.50	6.31	13.51	-10.50	-5.47	-32.91	14.77	Nov-01	Aug-10
Evergreen Australian Equities Return Fund	-2.25	16.35	33.21	10.97	32.13				May-10	Oct-11
Hayberry Australian Equity Fund (EurekahedgeHF)	-1.88	-2.80	12.15	13.56	11.82	28.86	-24.26	-3.27	Feb-03	Aug-11
Jaguar Australian Leaders Long Short Unit Trust	1.02	3.92	2.55	19.91	-28.94	82.39	-33.97	9.74	Mar-03	Oct-11
K2 Asian Absolute Return Fund (EurekahedgeHF)	-6.16	-19.34	9.83	16.51	3.49	40.78	-28.35	22.52	Sep-99	Nov-11
K2 Australian Absolute Return Fund (EurekahedgeHF)	-2.82	-10.31	12.43	12.98	4.13	41.03	-18.61	10.36	Oct-99	Nov-11
K2 Select International Absolute Return Fund (EurekahedgeHF)	-3.02	-10.78	9.38	12.48	8.99	31.91	-22.44	13.87	Jan-05	Nov-11
Kentgrove Capital Fund	9.05	16.20	52.38	22.31	67.65				Apr-10	Oct-11
Lanterne Arran Fund (EurekahedgeHF)	7.65	-13.56	5.93	8.38	7.06	28.81	-5.44	10.35	Aug-04	Oct-11
Lanterne Strategic Asia-Pacific Fund (EurekahedgeHF)	8.24	-7.20	10.08	7.32	5.90	26.92	-3.70	9.01	Jan-02	Oct-11
Lodestar Australian Strategic Share Fund	0.48	-5.09	-0.14	13.01	-5.09	26.86	-23.61	8.15	Mar-07	Oct-10
Macquarie Alpha Opportunities Fund	-3.09	-13.32	4.59	16.81	2.96	39.65	-42.37	29.93	Jun-05	Nov-11

Fund Name	Last Reporting Month %	Year To Date %	Annualised (M) Compound Return %	Annualised (M) Standard Deviation %	2010 Return %	2009 Return %	2008 Return %	2007 Return %	Inception Date	Last Reporting Month
Macquarie Australian Equity Income Fund	6.06	2.60	4.97	9.90	1.15	22.23	-29.09	12.65	Apr-04	Oct-11
Macquarie Australian Long Short Equitised Fund	8.78	-11.13	9.89	16.68	4.03	41.99	-46.17	37.99	May-03	Oct-11
Mathews Capital Searchlight Asia-Pacific Fund	-10.60	-19.38	4.55	29.81	30.65				Oct-10	Nov-11
Mathews Velocity Fund	-5.33	-16.06	33.01	33.34	37.93	62.30	8.66	50.25	Jul-06	Nov-11
Merricks Capital Long/Short Equity Fund	-1.64	10.26	10.18	6.19	12.35	8.00	9.28		Jan-08	Nov-11
Naos Absolute Return Fund (EurekahedgeHF)	10.71	-32.51	1.81	16.29	19.48	20.32	-25.96	5.77	Feb-05	Oct-11
Naos Small Companies Fund (EurekahedgeHF)	12.03	-13.53	15.35	29.50	56.50	174.85	-63.59	21.69	Feb-05	Oct-11
OC Concentrated Equity Fund	6.73	-15.99	13.04	22.26	30.46	156.41	-58.04	9.95	Dec-03	Oct-11
Optimal Australia Absolute Trust	0.97	6.44	15.36	3.89	13.63	23.81	5.00		Sep-08	Oct-11
Optimal Japan Fund USD	-0.06	-5.11	4.90	12.05	4.51	-8.92	-15.68	-9.23	Oct-99	Oct-11
Optimal Japan Trust	-0.09	-2.83	6.07	11.95	7.06	-6.14	-13.41	-8.76	Dec-99	Oct-11
Pengana Asian Equities Long Short (Offshore) Fund	-3.30	-16.29	0.30	8.12	-5.75	17.94	8.46		Jul-08	Jul-11
Pengana Global Resources Fund	1.58	-8.20	13.55	20.96	30.07	52.98	-32.87	49.13	Mar-07	Nov-11
Perpetual's QI Long Short Fund	2.20	0.76	6.02	17.03	0.76	20.38	-35.91	26.17	Aug-05	Oct-10
Platinum Asia Fund	-4.62	-17.80	14.92	14.93	4.34	40.04	-29.30	31.15	Mar-03	Nov-11
Platinum European Fund	-2.52	-8.38	9.93	17.30	9.15	28.11	-25.01	-2.93	Jul-98	Nov-11
Platinum International Brands Fund	-0.49	-5.37	11.84	10.87	15.99	31.71	-18.32	3.27	May-00	Nov-11
Platinum International Fund	-1.53	-11.51	11.73	11.60	-4.90	19.73	-7.40	3.37	May-95	Nov-11
Platinum International Health Care Fund	0.06	6.47	2.76	12.64	6.60	7.65	-15.75	0.02	Nov-03	Nov-11
Platinum International Technology Fund	0.72	-6.78	6.54	18.71	-3.36	30.98	-14.77	-2.17	May-00	Nov-11
Platinum Japan Fund - AUD	-2.78	-12.58	12.06	17.73	2.11	9.01	-7.79	-6.95	Jul-98	Nov-11
Platinum Unhedged Fund	-1.31	-9.73	7.24	12.98	8.01	30.71	-20.67	4.38	Feb-05	Nov-11
Plato Australian Shares 130/30 Composite	7.67	-2.36	-7.47	18.02	1.63	29.06	-42.02		Jan-08	Oct-11
PM CAPITAL Absolute Performance Fund AUD	-6.00	-26.17	2.01	20.94	-0.67	32.03	-43.19	-16.30	Nov-98	Nov-11
PM CAPITAL Australian Opportunities Fund AUD	-4.60	-19.01	8.47	16.50	8.28	58.18	-47.14	12.60	Jan-00	Nov-11
Premier Equity Return Fund	1.63	1.89	4.62	4.97	7.62	9.80	-1.75	3.56	Jun-07	Nov-11
Prodigal Equity Relative Value Fund (EurekahedgeHF)	1.19	1.77	8.50	4.81	4.97	12.57	13.68		Jan-08	Oct-11
RAB Europe Fund Ltd-Class A (EUR)	-4.82	-14.23	7.52	11.14	-3.17	8.91	1.35	12.30	Nov-99	Oct-11
RAB Global Mining and Resources Fund Ltd. Class B (USD)	4.74	-20.52	-0.16	25.72	22.72	76.52	-45.49	5.90	Nov-07	Oct-11
RAB-Pi Asia Fund Limited	5.88	-1.85	8.77	10.38	-1.85	12.91	1.02	5.20	Sep-02	Sep-10
Ramius Value & Opportunity Fund, Ltd.	4.16	6.64	16.51	12.93	31.20	16.89	-20.80	6.33	Oct-02	Oct-11
Sixtina Falcon Fund	-2.12	-6.84	-8.16	7.30	-6.84				Feb-10	Nov-10
SPARX Long-Short Fund Ltd - USD	-2.26	-10.95	6.60	9.54	8.46	0.43	-5.95	-11.95	Jun-97	Oct-11
SSGa Australia Alpha Edge Trust	4.47	-2.24	5.47	16.41	-2.24	31.16	-42.14	21.28	Jan-05	Jul-10
SSGa Australian Long/Short Equities Trust	1.85	-3.43	7.58	16.90	-3.43	28.75	-50.30	27.47	Aug-03	Oct-10
Summit Water Equity Fund, L.P.	-1.36	-2.63	9.14	9.71	7.76	5.36	-8.43	7.02	Jan-99	Nov-11
Tribeca Alpha Plus Fund	-2.27	-5.60	7.18	17.29	7.18	55.95	-38.99	29.60	Sep-06	Jul-11
WAM Capital Ltd	2.60	1.07	18.20	11.57	16.57	50.85	-32.10	11.78	Aug-99	Oct-11
WaveStone Capital Absolute Return Fund (EurekahedgeHF)	2.28	-3.51	9.06	12.10	1.26	37.18	-20.71	28.35	Sep-06	Oct-11
Market Neutral Equity										
Aurora Fortitude Absolute Return Fund	0.67	3.48	8.82	3.05	4.34	5.91	12.05	9.48	Mar-05	Nov-11
Bennelong Long Short Equity Fund(NET)	3.09	16.78	21.73	12.39	12.72	23.65	17.81	20.77	Jan-03	Nov-11
BlackRock Australian Equity Market Neutral	1.63	25.38	16.04	6.44	2.63	16.82	-6.29	28.45	Sep-01	Oct-11
Helix Partners Global Fund	-4.90	2.70	3.25	7.77					Jan-11	Oct-11
Macquarie Asian Alpha Fund	-0.56	12.19	13.40	6.96	16.02	18.01	-9.47	19.21	Oct-05	Oct-11
Macquarie Australian Market Neutral Fund	0.28	2.60	7.86	6.86	2.60	12.31	-4.81	25.48	May-03	Jun-10
Macquarie Global Multi Events Segregated Portfolio	-1.60	-3.04	5.35	5.17	8.93	-0.92	13.37	8.41	Jan-07	Oct-11
Pengana Australian Equities Market Neutral Fund	6.20	14.93	12.38	7.09	12.60	8.49	4.08		Sep-08	Nov-11
Plato Australian Shares Market Neutral Fund	-0.21	5.37	2.36	5.45	4.37	-5.24	-2.76	8.96	Aug-07	Oct-11
QIC Asia Pacific Market Neutral	0.85	-0.71	14.11	6.93	28.42	7.89			Jul-09	Nov-11
Regal Amazon Market Neutral Fund (USD - Offshore)	1.22	10.82	21.93	13.20	21.83	38.59	-8.23	32.05	Sep-05	Nov-11
Regal Tasman Market Neutral Fund (AUD - Onshore)	2.71	24.30	26.29	14.64	33.23	50.65	-9.80	29.49	May-07	Nov-11
SSGa Australian Long/Short Market Neutral Equities Trust	0.53	0.75	3.41	5.77	0.75	-2.36	-11.88	17.28	Aug-03	Oct-10
Taurus Global Resources Hedge Fund Limited	-4.94	-23.35	-12.91	8.97	2.43				Feb-10	Oct-11
Multi-Strategy										
Amundi VAR8 Absolute Return Fund	1.50	1.54	2.59	7.54	1.54	20.58	-7.12	-5.04	Sep-07	Aug-10
Angelo, Gordon - Super Fund International	2.75	-2.37	9.74	5.64	13.42	28.74	-22.87	3.42	May-93	Oct-11
BlackRock - Multi Opportunity Fund	2.04	16.98	10.85	4.75	15.25	13.06	-1.33	7.04	Jul-04	Oct-11
DVO1 Mechelle Pty Ltd	3.94	-23.06	14.97	20.55	22.49	48.05	-20.88	24.82	Jul-05	Oct-11
E.I.P. Aleph Fund (EurekahedgeHF)	5.21	-1.02	5.45	7.63	6.31	9.48			Apr-09	Nov-11
E.I.P. Overlay Fund	-0.09	3.80	9.00	6.48	8.34	17.31		22.90	Jun-02	Nov-11
KIS Global Multi-Strategy Fund	2.48	12.22	24.21	6.65	25.66	11.40			Oct-09	Oct-11
Optimal Asia Fund (hedgedfund.net)	0.00	-2.19	7.71	9.31	7.02	12.24	-18.84	28.33	Dec-04	Aug-11
Prodigal Absolute Cayman Fund	3.02	4.00	10.18	13.37	8.51	57.39	-20.38	8.50	Jun-07	Oct-11
Specialist										
Barwon Global Listed Private Equity Fund (A\$ Hedged)	-3.60	-13.79	-10.04	29.43	23.77	37.86	-53.77	-8.64	Jun-07	Nov-11
Macquarie Short Term Currency Alpha Fund	1.28	5.23	13.19	3.07	15.28	9.82	17.55	0.58	Dec-07	Jul-11
Parvest Australia	-2.42	-0.75	8.46	14.77	-3.89	53.17	-42.56	9.84	Jan-91	May-11
Plato Australian Shares Core Fund	7.52	-6.24	-2.04	17.36	1.83	34.34	-40.86	19.52	Feb-07	Oct-11
Funds of Hedge Funds										
Global Low Volatility										
Aurum Investor Fund Ltd (EurekahedgeFOF)	-1.13	-2.52	7.50	7.51	2.49	8.48	-6.28	5.58	Sep-94	Oct-11
Aurum Isis Fund Ltd (EurekahedgeFOF)	0.09	-0.59	6.86	3.28	1.43	7.46	-4.90	9.82	Apr-98	Oct-11
Lyxor Global Arbitrage Fund Ltd Class (USD)	-1.36	-4.50	1.59	3.33	3.37	3.49	-1.91	5.46	Jul-06	Sep-11
Global Macro										
Focus Special Opportunities Fund Ltd	1.21	9.87	6.42	19.24	-0.60				Jul-10	Nov-11
FRM Sigma Fund PCC Limited - Class A	0.12	0.34	14.52	15.32	20.76	-7.69	43.57	21.88	Nov-05	Sep-11
Ibbotson Global Trading Strategies Trust	-0.51	7.24	1.20	6.89	11.91	5.91	-13.07	-4.52	May-07	Oct-11
Ramius RTS Global Fund	-2.95	-10.34	-3.77	6.68	4.61				Mar-10	Oct-11
Long/Short Equity										
APAM Absolute Equity - Asia Fund	1.61	-4.10	3.32	11.48	-3.38	-3.98	10.76	18.56	May-06	Jul-11
Attalus Long-Short Equity Fund Ltd	-0.68	-4.23	5.73	6.79	2.45	7.98	-18.12	17.24	Feb-01	Oct-11
AWJ Fund	-0.63	-7.64	8.88	6.88	1.46	8.79	-9.71	28.63	Jul-00	Nov-11
AWJ GSF	-2.33	-5.15	-1.92	5.05	1.91				Mar-10	Nov-11
BNP Paribas - Fauchier Partners Absolute Equity Trust	-0.81	-2.11	2.70	5.52	7.51				Jan-10	Nov-11
BT Total Return Fund (EurekahedgeFOF)	1.12	1.32	5.22	3.13	3.14	9.84	-8.61	8.92	Jan-01	Oct-11
Focus Europa Fund	-0.60	-5.43	7.86	8.27	4.39	13.41	-16.09	5.90	Jan-97	Nov-11
HFA International Shares Fund HW	-1.08	2.60	6.04	4.93	8.07	8.17	-4.76	11.16	Apr-01	Jun-11
JANA Australian Share Long Short Trust	2.07	-9.55	-2.55	18.36	-9.55	26.56	-42.84	23.43	May-06	Jul-10
JANA Global Share Long Short Trust (unhedged)	1.07	-3.69	-9.50	12.27	-3.69	-7.32	-27.73	-5.19	May-06	Jul-10
Lyxor Long short Equity Fund Feeder - USD	-0.54	-0.14	1.92	6.58	-0.14	1.45	-11.25	12.49	Jul-06	Aug-10
NZAM Global Fund Ltd (Class AUD - AUD - Offshore)	0.46	-1.90	0.95	4.58	0.78	2.93			Dec-09	Sep-11
Penjing Asia Equity Fund - Class A	2.41	-9.01	-3.91	13.08	5.13	25.09	-30.84	2.31	Oct-07	Nov-11
Multi-Strategy										
Alpha Titans Ltd: Multistrategy	-0.41	-2.03	2.08	6.10	9.29	12.18	-11.10	1.89	Nov-07	Nov-11
Alpha Titans Ltd: Multistrategy 2x	-0.89	-4.09	1.58	12.94	21.16	24.28	-28.29	2.93	Nov-07	Nov-11
Attalus Multi-Strategy Fund Ltd	-0.21	-3.42	4.90	4.95	1.85	12.54	-21.42	12.40	Feb-00	Oct-11
Aurum Multi Strategy Dollar Fund Ltd.	-0.12	-2.13	3.01	4.98	4.39	10.74	-5.99	8.50	Jan-07	Oct-11

Fund Name	Last Reporting Month %	Year To Date %	Annualised (M) Compound Return %	Annualised (M) Standard Deviation%	2010 Return %	2009 Return %	2008 Return %	2007 Return %	Inception Date	Last Reporting Month
Ausbil Dexia Alpha Dynamic Fund	0.65	2.33	4.95	4.26	2.56				Nov-10	Oct-11
BNP Paribas - Fauchier Partners Absolute Return Trust	-0.30	-1.47	2.67	6.59	6.43	17.72	-12.86	3.98	Sep-07	Nov-11
Caliburn Global Inefficiencies Fund Segregated Portfolio (USD)	0.74	1.76	0.59	3.72	4.58	4.06	-9.63	2.51	Jul-07	Oct-11
Caliburn Strategic Fund (USD)	1.09	-7.06	-0.25	10.74	5.54	11.40	-30.02	21.53	Jun-06	Oct-11
Coastal Magnum Diversified Performance Fund (AUD - Onshore)	-0.99	6.64	6.25	5.57	3.93	11.32	-11.86	8.66	Jul-00	Oct-11
DWS Strategic Value Fund	-0.73	3.77	4.94	5.96	3.64	9.30	-23.65	9.66	Dec-99	May-11
Fintan Partners	-0.38	1.78	6.29	6.77	10.80	31.85	-21.28	9.75	May-05	Nov-11
Focus Opportunity Fund	-1.28	-7.68	5.03	7.67	3.53	8.21	-14.73	11.32	Jul-96	Nov-11
Focus Select Fund Ltd.	-1.53	-11.02	4.36	8.81	4.68	15.32	-20.96	16.68	Aug-04	Nov-11
FRM Absolute Alpha Fund PCC Ltd Diversified	-0.08	3.03	5.94	6.02	9.37	13.42	-23.47	16.71	Nov-02	Sep-11
GMO Multi-Strategy Trust	-0.56	10.26	7.06	5.52	1.11	-2.01	18.52	5.37	Jul-03	Oct-11
HDF Asiavest Ltd. - Class A (EUR)	0.76	0.93	4.02	7.83	0.93	5.16	-19.36	10.24	Aug-03	Oct-10
HDF Eurovest Class A USD	0.80	-6.38	8.90	8.69	8.08	14.76	-22.43	7.06	Jan-00	Oct-11
HDF Fixed Income Alternative Class A USD	-0.08	-1.68	4.47	3.33	4.68	8.11	-15.56	7.93	Jan-97	Oct-11
HDF Multivest Ltd. (Class A USD)	1.03	-0.42	2.16	6.62	3.65	3.21	-21.37	7.36	Sep-04	Apr-11
HDF Xiphias International Class AA USD	0.59	-6.58	2.18	8.03	8.08	14.76	-22.43	7.06	Oct-05	Oct-11
HFA Diversified Investments Fund HW	-0.53	4.34	4.66	6.90	5.99	19.05	-28.79	9.37	Apr-01	Jun-11
Ibbotson Alpha Strategies Trust	1.00	3.06	1.02	6.61	9.85	11.07	-15.77	-1.57	Oct-07	Oct-11
IS Global Opportunities Fund	-0.99	0.00	4.73	6.70	0.00	8.69	-13.38	16.33	Dec-03	Feb-10
Liongate Multi Strategy Fund - USD Class	0.51	-6.07	7.81	6.32	4.89	8.43	-9.99	17.71	Apr-04	Oct-11
Lyxor Diversified Fund Ltd Class (USD)	-2.06	-5.27	2.06	5.12	5.06	3.64	-6.71	10.63	Jul-06	Sep-11
Lyxor Focus Fund Ltd (USD Class)	0.99	0.20	4.02	5.80	0.20	5.41	-4.78	13.21	Jul-06	Jul-10
MQ Absolute Return Strategies - Asia - USD	0.00	-1.77	6.28	7.04	-1.77	9.03	-12.87	26.64	Mar-06	Aug-10
NWQ Diversified Fund	0.36	12.26	8.87	7.74	4.83				Jan-10	Nov-11
Ramius Alternative Replication Fund Ltd	-0.54	-3.48	-0.93	5.30	-0.69	2.25			Oct-09	Nov-11
Select Alternatives Portfolio (AUD - Onshore)	0.36	-20.03	2.64	93.41	11.75	12.53	-15.60	9.64	Apr-04	Nov-11
Specialist										
Caliburn Greater China Fund Segregated Portfolio (USD)	2.23	-4.37	3.77	9.75	6.13	16.63	-20.06	25.22	Apr-07	Oct-11
Penjing Asia Market Independent Fund - Class A	0.00	-1.94	2.50	3.32	3.36	12.27	-3.88	1.32	Oct-07	Nov-11
Focus Recovery Fund Ltd.	-0.84	-9.91	5.48	6.07	6.06	19.51	-13.43	10.16	Mar-03	Nov-11