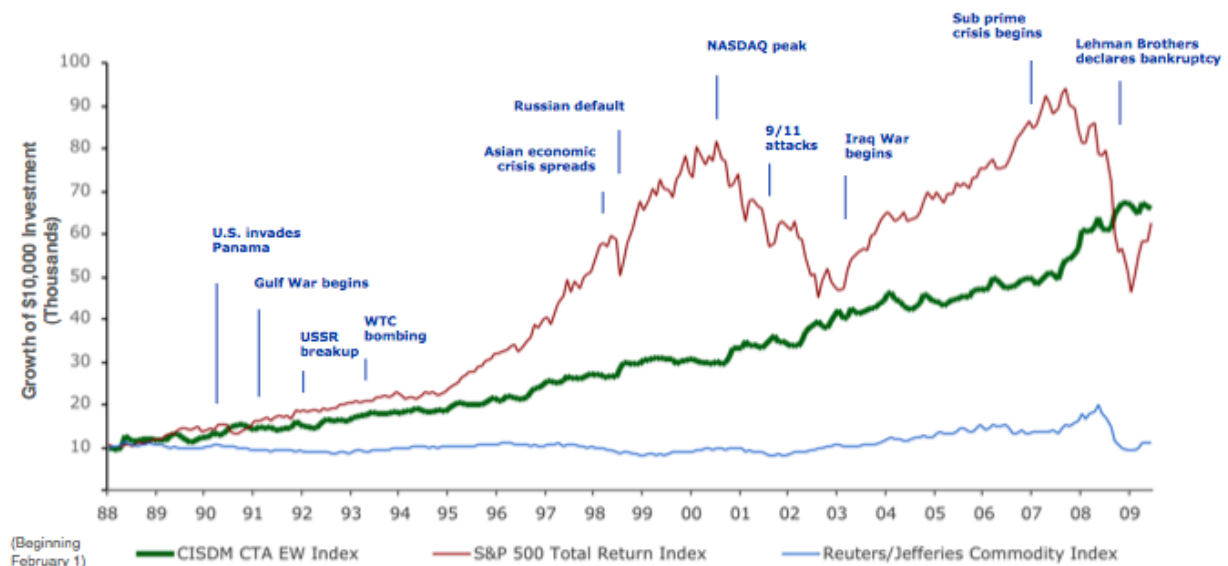


Managed futures come of age

This could be construed as a bit of an advertorial, so if you don't want me spruiking, don't read on!

A couple of weeks ago I did a very enjoyable roadshow around Australia and New Zealand with Bill Marr who runs Ramius Trading Systems (RTS). RTS is a CTA (Commodity Trading Advisor) and Macro platform. Firstly, I will say that there is quite a bit of investor interest in Managed Futures. In fact, a number of Superannuation Funds and Fund Managers are looking for Macro and/or Managed Futures managers. To date, I have seen a number of investors place funds in one-off allocations to either Winton (who come up regularly) or Aspect.



I personally think that one-off allocations to individual CTAs is not a smart investment decision. Macro and Managed Futures should be contained within their own concentrated portfolio. Bill Marr's product has six CTAs and a Macro Manager. Winton happens to be a prominent allocation in the quant trend following space.

The interesting thing is that if you have been around Managed Futures for some years, you will appreciate that you can achieve considerable diversification across a number of strategies, styles, and geographic allocations. Individually, most tend to have high Standard Deviations, but if you put a diversified group of CTAs together, the portfolio Standard Deviation drops considerably.

This is due to the diversification factors above. In Bill's RTS portfolio, the Standard Deviations range from 24% down to 8%. The portfolio Standard Deviation runs at under 10%.

I have seen this quite regularly in Managed Futures Fund of Fund portfolios. With the liquidity and the low to negative correlation of Managed Futures, these portfolios can be a handy tool for Pension Fund allocators.

Another interesting point is the change in the nature of the Managed Futures and Macro sectors. I cut my teeth in the Managed Futures sector, going back some twenty years. In the early days, most CTAs were trend following with their systems being derivations on a Moving Average Cross over. As time went by, other technical tools were added and rules-based trading was introduced.

I did a lot of broking business for the “Turtle Group of Managers” - EMC, SJO, Chesapeake etc. In fact, one of them did a roadshow with me (many years ago) where I introduced them to some very conservative institutional investors. I did note the eyes glazing over on the description of quantitative methodologies in trend following being applied to commodities as Pork Bellies and Hogs traded on the Chicago Board of Trade (or was it the CME?). I remember one trend following CTA announcing to me that they had employed an ex-NASA programmer! Whoa this was big!

But the industry has moved forward and a lot of the traditional CTAs are no longer managing money. The methodologies have become very sophisticated. One of the big London-based CTAs has 70-odd PhDs on staff, writing algorithms on price factors and flow-on effects. It’s a very different industry to the 80’s and 90’s. As a result, Institutional investors now appreciate the benefits of the diversification offered by CTAs and Macro managers.

I think the Managed Futures and Macro sectors will continue to grow. Bill and I had very good feedback from Australian and New Zealand investors and I suspect that if it’s not with Bill, there will still be healthy allocations to Managed Futures going forward.

On another positive note, the inaugural Australian Hedge Club cocktail party, held on 31 August, was a resounding success with more than 100 industry participants attending, double what was expected. The event was sponsored by HSBC.

The Club expects to organise a lot more events given the support received from the industry. Keep a look-out for announcements and advertisements in the coming months about future events such as seminars, luncheons, guest speakers, and cocktail parties.

Damien Hatfield

Australian Hedge Club drinks 31 August 2010, sponsored by HSBC:



Melvyn Ford, Andrew Landman, Nick Bolton, David Chin, Gordon French



Brynly Hughes, Melvyn Ford, Adam Coughlan

NEWS**Global hedge funds raise \$1 billion+ from Oz institutions**

Five offshore hedge funds including AQR Capital, PanAgora, Nephila Capital, Acadian Asset Management, and Fauchier Partners have raised more than \$1.15 billion from Australian institutional investors in recent months.

Since its June launch, the AQR Global Enhanced Equity Fund (AQR-GEEF) has raised just under US\$300 million and a further US\$200 million of committed capital from two superfunds and from Ibbotson Associates. One of the superfunds is Westscheme which allocated A\$160 million according to *Financial Standard*. Ibbotson is also allocating to AQR's emerging markets strategy.

AQR-GEEF is an Australian registered unit trust available only to institutions. It is managed by AQR Capital Management, a Connecticut-based manager with US\$27 billion in FUM of which approximately US\$4 billion is sourced from Australia and New Zealand clients. The firm has a sales office in Sydney headed by Jeff Dunn.

Meanwhile, PanAgora Asset Management has raised A\$500 million in commitments for its quant-based Dynamic Global Equity Fund, according to *InvestorDaily*. The Boston-based hedge fund manages around \$1 billion in mandates from Australian and NZ investors, and has \$19 billion under management globally.

Nephila Capital has received \$50 million in seed capital from ipac Asset Management for the Palmetto Australian Unit Trust. The trust acts as a feeder fund into Nephila's Palmetto Catastrophe Fund. Bermuda-based Nephila is 25% owned by Man Investments. Jeff Rogers, CIO at ipac told *Financial Standard* that the group has a portfolio of \$12 billion, of which 3% is invested into alternatives, split two ways into 'defensive' and 'growth'. AMP Capital also gave Nephila an investment mandate in 2009. (see Triple A Partners Australian Hedge, May 2009)

In other developments, AUSCOAL Super has allocated \$97.5 million to Acadian Asset Management's volatility investment strategy. Eighteen months ago, the superfund provided \$50 million to Pengana's Global Volatility Fund. (see Triple A Partners Australian Hedge, December 2008).

Finally, van Eyk Blueprint Alternatives Plus (VBP) said it allocated 2% of its FUM to fund of hedge

fund manager Fauchier Partners LLP over the June quarter. With \$156 million under management, the 2% allocation equates to \$3 million.

The ASX-listed VBP is a feeder fund that invests into the unlisted van Eyk Blueprint Alternatives Fund, which is issued by Macquarie Investment Management. The fund allocates to global macro funds offered by both Blackrock and Winton, a fixed income macro fund by GAM, a CSL commodities long/short fund, and a fund of hedge fund run by HFA.

Financial planners spurning managed funds

Financial planners are turning away from managed funds and allocating more of their client's monies into direct equities, according to a survey of 700 planners in April/May 2010 by Investment Trends.

The survey noted that just 50% of client inflows went into managed funds, down from 62% a year before. Planners estimate that just 39% will be directed into managed funds by 2013, suggesting a tougher period ahead for traditional and hedge funds that are targeting the planner market.

The survey also noted that allocations to direct equities, and ETFs in particular, surged. One third of planners are active users of direct equities, allocating 50% of new client funds into shares and ETFs and only 7% into managed funds. The change in portfolio mix is being driven by client aversion to managed fund fees and poor performance of the sector.

Family Offices control \$181 billion, AMP's new HNW division gains \$184 million

The top 250 family offices in Australia accounted for approximately A\$181 billion as at May 2010, with the largest 20 accounting for A\$67.7 billion, according to Austrade's Private Banking report citing data from Family Office Connect. The offices' FUM ranges from A\$200 million to A\$7.17 billion.

The report notes that 'there are a significant number of smaller families in the A\$30 million to A\$200 million range that do not have the economies of scale to establish stand alone family offices. These families typically either use multi-family offices... or other service providers to provide the outsourced services.'

**

Meanwhile, AMP's high net-worth division has gained 170 clients with \$184 million in funds under advice since its launch in second half 2009, according to the firm's CEO Craig Dunn speaking to *InvestorDaily*. Dunn said the AMP Private Wealth Management division is 'yet to ramp up (advisor) numbers.'

ASX-listed hedge funds report profit rises for 2009/2010

ASX-listed hedge and absolute return fund management companies including K2, Treasury Group, Platinum, Signature and HFA have reported profit rises over the past financial year.

K2 Asset Management said its net profit after tax surged 595% to \$14.8 million in 2009/2010. However, a one-off tax benefit of \$8.5 million accounted for more than half of the profit. Shares in K2 rose 9% to 60 cents following its profit announcement.

FUM for the Melbourne-based Australian and international equities hedge fund manager rose 50% to \$836 million. K2's Chairman Campbell W Neal said FUM rose due to a move to daily pricing in late 2009 which attracted a wider investor base, as well as a national advertising campaign and solid performance.

**

Treasury Group Limited's net profit and FUM both rose by around 35% to \$10.2 million and \$14.7 billion respectively. The boutique fund incubator and promoter said internationally sourced FUM rose slightly to \$1.23 billion, representing less than 10% of total FUM. Institutional investors made up 77% of the group's total FUM, up from 70% a year ago.

**

Platinum Asset Management reported profit of \$136.8 million, up 8.5% due primarily to an increase in management fees of 16% to \$217.4 million. FUM increased by \$4.4 billion (up 31.5%) to \$18.4 billion due to net inflows of \$2.5 billion and investment performance increases of \$1.9 billion. The rise in FUM included inflows of \$1.2 billion of institutional money which was a management focus last year.

**

Signature Capital Investments (SGI) reported a net profit of \$11.4 million for 2009/2010. SGI, a Melbourne-based fund of hedge fund (previously

named HFA Accelerator Plus) said its operating expenses fell 61.5% due primarily to the reduction in management fee expenses paid to HFA Asset Management (HFAAM). The management agreement with HFAAM was terminated in February 2010.

SGI also received substantial proceeds under its Asset Realisation Program from investments held through vehicles managed by Lighthouse Investment Partners. (which is owned by HFA) These proceeds enabled the company to make a 'significant' initial investment into a customised portfolio of international hedge funds via GAM International, a London-based specialist global asset manager.

**

HFA Holdings reported profits of \$24.1 million for 2009/2010, down from \$40.2 million the previous year. The firm's Australian fund of hedge fund business (rebranded last month as Certitude Global Investments - see Triple A Partners Australian Hedge July 2010) contributed \$13.1 million in operating income, down 48% from the previous year due to lower FUM as a result of fund outflows and de-leveraging of its portfolios.

Manager developments

Merricks Capital received a lengthy profile from *the Australian* (Journalist - Geoffrey Newman) during the month. The Melbourne-based hedge fund runs two funds (multi-strategy and soft commodities) and also manages funds for ASX-listed investment company Fat Prophets.

The Australian's Q&A with Merricks' CIO and co-founder Adrian Redlich noted the firm has \$135 million under management, is backed by the Liberman family office, and has attracted other Australian and Asian family office investors as a result. Merricks will target the retail sector via financial planners during the next 12 to 18 months.

According to the firm's website, Redlich was Head of Quant Alpha Generation, Global Equities at Citadel Investment Group, Chicago. The firm's other co-founder is Adam Lindell who acts as COO. He was previously a partner at a national Australian law firm.

**

ING Investment Management's Extended Alpha Aust Share Fund has raised \$12 million since its launch in December 2009. However, the firm

manages a total of \$420 million in this strategy across various mandates.

The fund is managed internally by Gian Pandit and David Langford, and deploys a 130/30 strategy. It is ING IM's first hedge fund product launched in Australia, according to Joe Marassa, Head of Marketing. The fund is distributed via third party Platforms and Wraps for the financial planner industry. Overall, ING IM manages \$35 billion in Australia and \$550 billion globally.

**

Eight Investment Partners (8IP) has launched two funds under the UCITS III structure to attract investors in Europe and South Africa. 8IP is a Sydney-based Asian equities long-only boutique backed by South Africa's Sanlam Group.

**

Select Asset Management has appointed Sydney-based Orchard Harbour, a consultancy specialising in operational due diligence in the alternatives sector, to enhance Select's due diligence capabilities. Select is a multi-manager alternatives boutique established in 2002. Orchard Harbour was founded by Alex Wise, a former managing director of Sigma Asset Management (Guernsey).

**

Legg Mason has launched its Legg Mason Permal Global Absolute Return Trust (GART) targeting institutional investors. GART is a global macro fund that was first established in September 2009 in the US. It has gained a four-star rating from S&P.

Industry developments

Austrade (the Australian government's exports and investments promotions agency) has released a 48 page report on the Australian Investment Management Industry. The report (*co-written by Triple A Partners Australian Hedge editor David Chin*) provides key data including major investment managers, institutional and retail investors in managed funds, distribution channels, regulations and tax. Details at <http://www.austrade.gov.au/Invest/Investor-Updates/100722-Investment-Management-Industry-in-Australia-published/default.aspx>

**

Challenger Financial Services has expanded its boutique funds management business from \$2 billion to \$7 billion in FUM in the year ended 30 June 2010, according to the firm's CEO Dominic

Stevens speaking to *InvestorDaily*. The recent addition of Alphinity Investment Management (see Triple A Partners Australian Hedge, July 2010) and a spin-off of Challenger's small and mid-cap business into a new boutique, will further boost FUM to \$9 billion.

**

Harbridge Investment Partnerships Pty Limited (Harbridge) is hoping to attract hedge fund managers to forums in Sydney (20 Sept) and Melbourne (28 October) to discuss business operations issues.

Harbridge is a boutique funds consultancy offering operational, compliance and due diligence services. The firm was established by Jenni Harding, a former COO for alternatives manager QED Capital which closed in 2008. Before that she was COO at Jenkins Investment Management and was also part of a team that left County Natwest in 1994 to establish Portfolio Partners.

**

Brian Taitz has launched a new London-based hedge fund administration firm, Charter Group Fund Administration Ltd. The firm will focus primarily on offshore funds managed by boutique fund managers. Taitz founded Sydney-based hedge fund administrator, Kingsway Taitz, in 2006 and sold the firm to the TMF Group in 2009. (see Triple A Partners Australian Hedge, August 2009).

People Moves

Neuberger Berman Asia has appointed Lucas Rooney (ex-Mercer, BT and Colonial First State) as a senior vice president in its institutional sales team. Based in Melbourne, he will work with the firm's Australian office head, Paul O'Halloran, to market the firm's global and emerging markets equities, fixed income and alternatives that includes private equity, hedge fund of funds and quantitative strategies.

**

Vinva Investment Management is rumoured to have hired Charles Genocchio as head of business development, according to *I&T News*. Vinva is a newly established Sydney-based hedge fund launched by Morry Waked, ex-Global CIO for BGI. (see Triple A Partners Australian Hedge, July 2009). Genocchio spent seven years at BGI before joining HSBC Australia in 2008.

**

Axa Rosenberg Investment Management has ended its dedicated Australian sales presence after Ian Webber, the firm's senior institutional salesman, and two client reporting staff were recently let go, according to *I&T News*. Webber's role has been assumed by Craig Hurt, the Australia/NZ director for Axa Investment Managers, another Axa subsidiary that also offers a range of alternatives including fund of hedge funds.

**

AR Capital has appointed Craig Temby as executive director, according to *InvestorDaily*. He was previously with Thorney Investments, the family office of paper and packing magnate, the late Richard Pratt. Melbourne-based AR Capital has \$85 million under management in its Ascot Fund, a long/short Australian equities fund. The firm was established in 2005 by Craig Connelly and Tony Cooper. Treasury Group owns a 30% equity stake.

**

Magellan Financial Group has hired Mark Burgess (ex Zurich Financial Services) as a key account manager based in Sydney. The appointment follows the hiring of Rob Martin and Damian Craven in business development roles in Brisbane and Melbourne respectively. The firm, which offers absolute-return funds (with very limited short selling) has \$1.32 billion under management.

**

BT Investment Management (BTIM) has appointed Martyn Wild (ex Russell Investments, ex SFE) as a senior portfolio manager for its diversified funds business. The hiring follows the departure of Robert Swift whose role as head of multi-strategies was made redundant following a business restructure by new BTIM CEO, Emilio Gonzalez.

**

Australian Meat Industry Superannuation Trust (AMIST) has hired Megan Pham as its first CIO. Pham was previously at Non-Government Schools Superannuation fund (NGS Super) and will now report to AMIST's CEO John Livanas. AMIST has \$1 billion in assets and uses JANA as its asset consultant.

HATFIELD'S GADGET CORNER

Intro to media centres

Apple released a new range of iPods just prior to this edition of the newsletter. There's a new Shuffle, Nano and Touch. Apple also released iTunes 10 with a new interface and Ping, a social networking facility built into iTunes. But the most interesting new release was the new Apple TV.

I had intended doing a piece on media devices and the Apple TV turned up just in time.

Firstly, the original Apple TV was never a big Apple seller. They called it Steve Job's hobby. Well, this says a lot about me, I really like it. I used it as a wired and wireless music streamer. It's hooked up to my Bose amplifier and I stream upstairs and downstairs. One thing I loved was downloading movies, rentals or purchases. They are virtually instant play and because I'm on the US iTunes store, the selection is better and cheaper than the Aussie store.

There was a lot of speculation about the impending release of a new Apple TV and here it is. Cheaper, smaller, and pure streaming, no storage. The new one costs US\$99 (A\$129) and is a quarter of the size of the old one. It's pretty basic, a HDMI port for video output, optical audio, Ethernet and wireless built in. It has updated video specs supporting 720p video at 30 frames per second. Not sure what that means but it sounds impressive. I won't know until I get one what it looks like on screen.

One thing that has me really interested is that you can rent TV episodes at 99c. So Madmen appears in the US and the next day you rent the episode for 99c, or that's the plan. Only two networks have signed up to date. You can also access the Netflix movie service from the Apple TV. No good for us in Australia, but I hear Netflix is starting a global rollout.



Just so that you don't think that I am a pure Apple sycophant, I also recently bought another media box. I looked at the Telstra T-Box. This looked pretty good. I say pretty good because I haven't got it up and running. Telstra's fault. They stuffed up the order. I can't believe that company. The CEO and board of Directors must not use their own services, otherwise they would be aware of how appalling Telstra is. I have never had a Telstra order or service go smoothly.

Anyway, I finally have my order back on track and await my T-Box service. This box is similar to the Apple TV where I can rent latest release movies for \$5.99. So why would I want a T-Box over Apple TV. For me it's Rugby League and a 24 hour News Channel. The cost is pretty good. I signed up for a 24 month plan ADSL2, 100 GB per month, Telstra line rental, and the T-Box. It's \$99 per month and \$35 upfront for the box. That's pretty good, but the only problem is that you have to deal with Telstra. I won't go into detail as to how they stuffed up my order and I fully expected they would.



There are other media boxes around. In Australia we have Tivo. I could never understand why anyone would buy one of these. They were very expensive when first released. I guess they are a direct competitor with the T-Box but with Telstra's Plan support, Tivo doesn't stand a chance. Other ISPs have media boxes but the content is limited. For me, the football and news is essential.

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THE AUSTRALIAN HEDGE - HEDGE FUNDS PERFORMANCE SURVEY

Fund Name	Last Month %	Year To Date %	Annualised (M) Compound Return %	Annualised (M) Standard Deviation %	2009 Return %	2008 Return %	2007 Return %	Inception Date	Last Reporting Month
Cash Based									
PM Capital Enhanced Yield Fund	0.90	3.71	7.13	2.54	10.96	0.83	6.05	Mar-02	Jul-10
Event Driven									
Ashton - Paulson Event Driven Fund	2.12	-6.75	5.10	12.47	14.12			May-09	Jul-10
Austral Equity Fund (EurekahedgeHF)	0.16	0.61	13.06	7.59	16.92	1.30	13.15	Sep-97	Jun-10
Macquarie Special Events Fund	-0.14	-1.07	11.85	6.06	41.32	-5.11	12.70	Oct-03	Jun-10
MM&E Capital Trust 1	0.73	0.25	7.30	4.40	7.13	-4.89	3.56	Jul-02	Jul-10
MM&E Capital Trust 2	0.74	0.42	6.51	4.93	7.48	-5.98	3.40	Jul-04	Jul-10
Pengana Asia Special Events Fund	1.20	-0.29	5.98	5.17	14.27	-0.94		Jul-08	Jul-10
RAB Cross Europe Fund Ltd Class B (USD)	0.23	-0.72	7.54	5.78	1.05		2.07	Nov-98	Jul-10
Fixed Income									
Ashton-Paulson Credit Opportunities Fund	1.59	4.21	18.66	6.96	15.50			Jul-09	Jul-10
HCAP Diversified Fund (USD)	3.46	6.72	10.86	9.22	0.37			Dec-09	Jul-10
Kapstream Wholesale Absolute Return Income Fund	0.57	3.94	6.70	1.08	7.77	7.04	2.41	Jun-07	Jul-10
QIC Global Fixed Interest Alpha Fund (AUD - Onshore)	0.40	-0.60	9.42	5.37	13.60	7.67	11.21	Jul-05	Jul-10
RAB European Credit Opportunities Fund Ltd-Class B (USD)	-0.29	5.56	9.43	11.66	46.35	-28.86	9.03	Jul-01	Jun-10
Ramius Global Credit Fund Ltd	8.85	17.61	24.72	10.56	22.30	4.23		Sep-08	Jun-10
Global Macro/Commodities/Futures									
36 South - Cullinan Fund SPC	-10.16	-4.24	-8.37	26.21	-5.69			Jun-09	Jul-10
36 South - Dresden Green SPC	-0.63	-7.33	4.91	13.51	18.77	13.63	4.25	Sep-06	Jul-10
36 South - Regent Fund SPC	-30.12	5.44	28.25	82.25	-8.07	34.42	58.57	Sep-07	Jul-10
Active Global Commodities Fund (AUD\$)	3.69	-6.12	9.05	12.42	7.00	1.37	16.89	Dec-99	Jul-10
Antipodean Capital Management A\$ Currency Fund (3X)	-0.34	4.02	4.94	15.08	-8.32	2.02	3.60	Feb-06	Jun-10
Apeiron Global Macro Fund - Class A (EurekahedgeHF)	2.19	3.85	12.67	11.10	-1.70	19.51	20.79	Feb-06	Jun-10
Argus Dynamic Multi-strategy Program	1.55	-12.16	15.72	26.00	-2.19	45.44	4.92	Oct-96	Jul-10
Ascalon H3 Commodities Fund	0.47	-7.55	-1.70	15.45	19.64	-13.25		Feb-08	Jun-10
Attunga Agricultural Trading (Offshore) Fund	0.14	-1.81	-5.00	5.96	-4.08			Jun-09	Jul-10
Attunga Agricultural Trading Fund (EurekahedgeHF)	-1.85	1.24	13.95	9.06	9.73	22.08		Apr-08	Jul-10
Attunga Metals Trading (Offshore) Fund	1.15	4.94	10.13	6.05				Feb-10	Jul-10
Attunga Power & Enviro (Offshore) Fund	-0.30	-17.02	-1.51	13.34	27.01	-8.20		Jun-08	Jul-10
Attunga Power & Enviro Fund	-1.12	-15.49	23.49	21.02	17.99	-6.75	86.79	Aug-06	Jul-10
AWJ GSF	-0.37	-2.16	-5.10	5.13				Mar-10	Jul-10
BlackRock Asset Allocation Alpha Fund - Class D*	-0.93	-1.64	15.25	12.34	-0.12	41.19	34.54	Jun-06	Jul-10
BlackRock Global Ascent Fund*	3.91	8.44	20.57	15.51	17.80	-5.33	14.68	Feb-03	Jul-10
BlackRock Global Markets Fund*	2.99	6.82	9.05	7.91	12.94	-0.76	11.44	Apr-04	Jul-10
Blue Sky World Inc. (Class A)	-6.72	-2.24	18.47	24.37	22.66	-3.95	75.75	Feb-06	Jul-10
Commodity Strategies - Long Only	0.00	-7.80	11.62	13.06	27.78	10.47	25.08	Dec-99	Jul-10
Commodity Strategies Ltd - Global Commodity Fund Long-Short	-1.47	-14.91	12.00	20.57	21.07	20.82	10.75	Oct-07	Jul-10
Excalibur Absolute Return Fund	2.75	8.29	15.75	8.63	0.98	12.23	21.39	Jul-06	Jul-10
Global Trading Strategies (Cayman) Fund	1.04	-8.02	15.07	13.46	-3.78	44.85	27.30	Nov-06	Jul-10
GMO Systematic Global Macro Trust - Class B	-3.75	5.99	11.39	10.98	9.38	12.03	15.77	Feb-06	Jul-10
Graham Discretionary-6V Portfolio (USD - Offshore)	0.67	3.91	8.80	5.88	17.09	8.66	-6.93	Sep-03	Jun-10
Graham K4D-10V Portfolio (USD - Offshore)	-1.02	-3.16	10.18	12.86	1.15	21.82	12.72	Feb-95	Jun-10
Graham K4D-15V Portfolio (USD - Offshore)	-1.67	-4.02	14.49	18.49	4.95	35.63	16.90	Feb-95	Jun-10
Graham Proprietary Matrix-10V Portfolio (USD - Offshore)	-0.38	2.82	10.50	12.48	15.46	25.14	8.48	Jul-99	Jun-10
H3 Global Commodities Fund - Class AUD	1.56	-7.19	6.46	13.19	13.35	-2.53	14.55	Nov-05	Jul-10
H3 Global Strategies Fund	-2.43	-4.94	-1.22	7.28	-4.27	6.88		May-08	Jul-10
Headland Global Diversified Fund	-2.43	-3.48	4.61	8.88	3.90	1.61	9.96	Nov-06	Jun-10
Investment Science Access SRA-16 Fund	4.99	18.66	28.73	18.94	7.87	51.80	0.92	Nov-07	Jun-10
Investment Science Alliance SRA-16 Fund	4.55	11.99	97.32	6.30				May-10	Jun-10
Kaiser Trading Fund 1X SPC	-1.45	2.26	6.63	6.07	-4.32	8.39	11.76	Apr-04	Jul-10
Kaiser Trading Fund 2X SPC (EurekahedgeHF)	-2.70	5.37	8.32	9.78	-7.78	15.28	19.54	Oct-06	Jul-10
Kohinoor Series Two Fund	-3.55	-4.71	16.20	14.17	-1.85	73.29	7.05	Aug-05	Jul-10
Macquarie Commodity Alpha Segregated Portfolio	-2.76	-0.80	5.83	5.32	1.83	8.68	7.44	Sep-07	Jul-10
MGH DRT Volante Fund Ltd	5.01	-0.95	-2.24	14.84	14.41	-30.76	12.56	Jan-06	Jul-10
MGH Investment Fund Ltd	4.07	2.75	12.41	11.25	16.61	-21.67	10.03	Jan-03	Jul-10
Pengana Global Volatility Fund - Class A	-16.60	-16.38	0.50	52.83	12.89	4.23	2.92	Nov-07	Apr-10
RAB Energy Fund - Class B-1	2.83	26.43	17.35	25.06	86.90	-60.11	4.96	Jun-04	Jul-10
RAB Octane Fund Ltd. Class D (USD)	-0.15	14.93	5.11	12.26	11.86	-31.12	16.86	Jul-00	Jun-10
RAB Special Situations Fund (USD)	2.32	3.30	17.96	38.68	4.94	-69.76	9.45	Jul-03	Jun-10
RTM Absolute Return Fund	-0.87	-4.44	6.20	5.30	8.69	6.57	7.00	Sep-05	Jul-10
Long/Short Equity									
90 West Global Basic Materials Fund (AUD - Onshore)	5.05	-3.64	11.95	16.94	49.03	-11.90		Jul-08	Jul-10
Agora Absolute Return Fund	4.42	-5.91	8.13	8.61	23.99	-12.23	9.78	Mar-04	Jul-10
Allard Growth Fund	5.51	10.53	13.75	13.42	49.20	-28.83	16.89	Jan-96	Jul-10
Allard Investment Fund	0.44	10.58	14.86	9.90	25.45	-13.82	15.56	Jul-03	Jul-10
Antares Lodestar Absolute Return Trust - Aust Shares	-1.01	-5.76	-0.37	13.65	26.86	-23.61	8.15	Mar-07	Jun-10
AR Capital Management The Ascot Fund	0.81	-4.30	11.80	6.04	20.01	5.24	26.07	Aug-05	Jul-10
ArnhemLong Short Equitised Australian Equity Fund	-8.00	-7.62	11.77	16.42	51.49	-30.28	22.25	Jun-05	May-10
ArteFact Partners Global Opportunities Fund Ltd.	-6.24	-9.21	-6.48	16.13	14.10	-38.99	17.11	May-06	May-10
Ashton-Paulson Recovery Fund	7.83	7.03	14.57	17.36	19.93	-0.03		Oct-08	Jul-10
Aviva Investors High Growth Shares Fund	-1.41	-10.83	11.81	14.10	43.54	-32.84	23.84	Dec-99	Jun-10
Aviva Investors Long Short Equity Fund	-0.66	-7.36	13.97	12.10	40.33	-21.92	23.64	Aug-04	Jun-10
BlackRock Absolute Equity Fund*	1.74	0.94	11.97	5.01	10.35	-2.95	23.13	Jul-03	Jul-10
BlackRock Equitised Long Short Fund*	6.66	-9.29	16.02	15.84	48.89	-45.92	38.49	Dec-01	Jul-10
BlackRock International - Alpha Advantage Equity Fund*	-4.15	-3.32	-8.81	12.49	12.15	-24.87	-5.46	Sep-07	Jun-10
Blue Sky Japan - Class A USD	0.38	4.49	9.15	24.71	24.39	-17.97	-35.08	Jun-00	Jun-10
Cadence Capital Limited (EurekahedgeHF)	4.66	-3.59	9.82	17.81	45.37	-34.73	3.89	Oct-05	Jul-10
Equity Trustees - EQT SGH Wholesale Absolute Return Trust	-0.08	-10.12	6.49	13.61	-5.47	-32.91	14.77	Nov-01	Jun-10
Five Oceans Global Fund	-3.24	-2.32	3.60	8.31	-0.93	-6.51	15.70	Jul-06	May-10
GMO Australian Long/Short Equity Trust	0.05	-13.12	5.70	15.46	17.84	-37.28	27.10	Aug-03	Jun-10
Hayberry Australian Equity Fund (EurekahedgeHF)	-2.96	-3.24	12.41	13.99	28.86	-24.26	-3.27	Feb-03	Jun-10
Herschel Absolute Return Fund (EurekahedgeHF)	0.35	-4.00	14.95	9.10	25.46	0.30	16.36	May-06	Jul-10
Jaguar Australian Leaders Long Short Unit Trust	-20.39	-34.62	1.32	21.57	82.39	-33.97	9.74	Mar-03	Jun-10
K2 Asian Absolute Return Fund (EurekahedgeHF)	4.36	-5.40	12.46	16.72	40.77	-28.35	22.53	Sep-99	Jul-10
K2 Australian Absolute Return Fund (EurekahedgeHF)	2.10	-5.92	14.14	13.31	41.03	-18.61	10.36	Oct-99	Jul-10
K2 Select International Absolute Return Fund (EurekahedgeHF)	4.31	-3.31	11.63	12.69	31.92	-22.44	13.87	Jan-05	Jul-10
Lanterne Arran Fund (EurekahedgeHF)	2.73	1.09	8.80	7.27	28.81	-5.44	10.35	Aug-04	Jul-10
Lanterne Strategic Asia-Pacific Fund (EurekahedgeHF)	3.67	1.37	12.03	6.62	26.92	-3.70	9.01	Jan-02	Jul-10
Macquarie Asian Alpha Fund	0.39	4.04	12.06	7.39	18.01	-9.47	19.21	Oct-05	Jun-10

Fund Name	Last Month %	Year To Date %	Annualised (M) Compound Return %	Annualised (M) Standard Deviation %	2009 Return %	2008 Return %	2007 Return %	Inception Date	Last Reporting Month
Macquarie Australian Equity Income Fund	3.37	-3.86	4.71	10.28	22.23	-29.09	12.65	Apr-04	Jul-10
Macquarie Australian Long Short Equitised Fund	-2.88	-9.49	11.51	16.81	41.99	-46.17	37.99	May-03	Jun-10
Mathews Velocity Fund	3.91	-1.24	40.41	36.01	62.30	8.66	50.25	Jul-06	Jul-10
MM&E Capital Takeover Target Fund (AUD - Onshore)	1.69	-2.43	9.78	13.33	43.50	-30.85	20.48	Aug-05	Jul-10
Naos Absolute Return Fund (EurekahedgeHF)	2.01	-12.73	3.70	13.04	20.32	-25.96	5.77	Feb-05	Jul-10
Naos Small Companies Fund (EurekahedgeHF)	13.19	3.78	13.54	28.75	174.85	-63.59	21.69	Feb-05	Jul-10
OC Concentrated Equity Fund	5.90	1.30	14.32	22.98	156.64	-58.04	9.95	Dec-03	Jul-10
OC Dynamic Equity Fund	4.60	-3.29	5.96	20.66	75.30	-67.25	-1.12	Dec-00	Jul-10
OC Premium Equity Fund	4.50	-2.55	2.84	19.22	72.26	-65.68	-6.39	Dec-00	Jul-10
Optimal Japan Fund USD	-2.96	-1.61	5.45	12.49	-8.92	-15.68	-9.23	Oct-99	Jun-10
Pengana Asian Equities Long Short (Offshore) Fund	-1.10	-2.21	11.34	7.25	17.94	8.46		Jul-08	Jul-10
Pengana Global Resources Fund	3.94	-0.05	13.28	22.84	52.98	-32.87	49.13	Mar-07	Jul-10
Perpetual's QI Long Short Fund	6.66	-5.64	4.94	17.28	20.38	-35.91	26.17	Aug-05	Jul-10
Platinum Asia Fund	0.50	2.20	20.64	15.34	40.04	-29.30	31.15	Mar-03	Jul-10
Platinum European Fund	2.10	2.46	11.30	17.69	28.11	-25.01	-2.93	Jul-98	Jul-10
Platinum International Brands Fund	0.20	8.55	13.35	11.29	31.71	-18.32	3.27	May-00	Jul-10
Platinum International Fund	-3.40	-3.52	13.84	11.80	19.73	-7.40	3.37	May-95	Jul-10
Platinum International Health Care Fund	-3.50	1.54	1.62	13.32	7.65	-15.75	0.02	Nov-03	Jul-10
Platinum International Technology Fund	-1.50	-4.06	8.08	19.63	30.98	-14.77	-2.17	May-00	Jul-10
Platinum Japan Fund - AUD	-4.30	0.51	14.60	17.90	9.01	-7.79	-6.95	Jul-98	Jul-10
Platinum Unhedged Fund	-3.20	5.30	10.61	13.95	30.71	-20.67	4.38	Feb-05	Jul-10
Plato Australian Shares 130/30 Composite	-1.53	-9.42	-14.41	20.37	29.06	-42.02		Jan-08	Jun-10
PM CAPITAL Absolute Performance Fund AUD	4.00	3.36	6.08	20.67	31.94	-43.12	-16.20	Nov-98	Jul-10
PM CAPITAL Australian Opportunities Fund AUD	5.60	-6.91	10.19	16.28	60.64	-47.84	12.20	Jan-00	Jul-10
Prodigal Equity Relative Value Fund (EurekahedgeHF)	0.00	6.61	12.78	4.38	12.57	13.68		Jan-08	Jul-10
RAB Europe Fund Ltd-Class A (EUR)	1.15	-8.64	9.40	11.37	8.91	1.35	12.30	Nov-99	Jul-10
RAB Global Mining and Resources Fund Ltd. Class B (USD)	0.20	-6.49	-1.74	28.68	76.52	-45.49	5.90	Nov-07	Jul-10
RAB-Pi Asia Fund Limited	2.36	-8.81	7.96	10.32	12.91	1.02	5.20	Sep-02	Jul-10
Ramius Value & Opportunity Fund, Ltd.	7.91	15.43	16.49	12.68	16.89	-20.80	6.33	Oct-02	Jul-10
Sixtina Falcon Fund	-1.86	-3.07	-6.04	5.33				Feb-10	Jul-10
SPARX Long-Short Fund Ltd - USD	0.77	1.61	7.67	9.50	0.43	-5.95	-11.95	Jun-97	Jul-10
SSgA Australia Alpha Edge Trust	4.47	-2.24	5.47	16.41	31.16	-42.14	21.28	Jan-05	Jul-10
SSgA Australian Long/Short Equities Trust	4.91	-8.53	7.03	17.08	28.75	-50.30	27.47	Aug-03	Jul-10
Summit Water Equity Fund, L.P.	-0.91	-0.22	9.77	9.90	5.36	-8.43	7.02	Jan-99	Jul-10
Tribeca Alpha Plus Fund	5.76	-2.23	8.15	18.92	55.95	-38.99	29.60	Sep-06	Jul-10
VT International - Global Macro FreeStyle REIT Fund	0.45	0.45	9.30	23.18	-17.90	40.62		Jun-08	Jan-10
WaveStone Capital Absolute Return Fund (EurekahedgeHF)	-2.91	-7.17	10.90	13.38	37.18	-20.71	28.35	Sep-06	Jun-10
Macquarie Alpha Opportunities Fund	-2.99	-9.64	6.16	17.51	39.65	-42.37	29.93	Jun-05	Jun-10
Market Neutral Equity									
Amazon Market Neutral Fund (USD - Offshore)	1.81	4.16	22.48	14.51	38.59	-8.23	32.05	Sep-05	Jun-10
Atrium Australian Equity Market Neutral Fund	-0.39	-4.47	-6.66	3.18	-1.16			Oct-09	Jul-10
Benelong Long Short Equity Fund(NET)	2.90	6.49	22.53	12.95	23.65	17.81	20.77	Jan-03	Jul-10
BlackRock Australian Equity Market Neutral*	2.01	-0.99	14.99	6.51	16.21	-6.27	28.43	Sep-01	Jul-10
Fortitude Capital Absolute Return Trust	-1.60	-1.19	9.31	3.14	5.91	12.05	9.48	Mar-05	Jul-10
GMO Australian Market Neutral Trust	0.29	-1.29	1.50	7.49	-13.16	11.98	15.47	Mar-03	Jul-10
Macquarie Australian Market Neutral Fund	0.28	2.60	7.86	6.86	12.31	-4.81	25.48	May-03	Jun-10
Macquarie Global Multi Events Segregated Portfolio	1.16	6.24	7.45	5.36	-0.92	13.37	8.41	Jan-07	Jul-10
Pengana Australian Equities Market Neutral Fund	0.90	5.81	9.73	6.07	8.49	4.08		Sep-08	Jul-10
Plato Australian Shares Market Neutral Fund	0.64	3.06	1.14	6.28	-5.24	-2.76	8.96	Aug-07	Jul-10
SSgA Australian Long/Short Market Neutral Equities Trust	0.53	-1.34	3.23	5.85	-2.36	-11.88	17.28	Aug-03	Jul-10
Tasman Market Neutral Fund (AUD - Onshore)	2.50	6.67	22.00	16.29	50.65	-9.80	29.49	May-07	Jun-10
Taurus Global Resources Hedge Fund Limited	-1.70	-4.66	-9.11	1.99				Feb-10	Jul-10
Multi-Strategy									
E.I.P. Overlay Fund	1.49	-1.71	9.43	6.62	8.34	17.31	22.90	Jun-02	Jul-10
Prodigal Absolute Cayman Fund	0.00	8.44	13.04	14.81	57.39	-20.38	8.50	Jun-07	Jul-10
Amundi VAR8 Absolute Return Fund	1.56	0.04	2.15	7.61	20.58	-7.12	-5.04	Sep-07	Jul-10
BlackRock - Multi Opportunity Fund*	1.30	4.80	8.65	5.06	12.48	-1.32	7.04	Jul-04	Jun-10
EIP Aleph Fund	-0.37	-0.92	6.72	6.62	9.47			Apr-09	Jun-10
Merricks Capital Multi-Strategy Fund	0.60	-4.38	3.12	5.09	7.36	5.18		Jan-08	Jun-10
Hedge Fund of Funds									
Global Low Volatility									
Aurum Investor Fund Ltd (EurekahedgeFOF)	0.39	-3.35	7.89	7.71	8.48	-6.28	5.58	Sep-94	Jul-10
Aurum Isis Fund Ltd (EurekahedgeFOF)	-0.65	-0.26	7.49	3.34	7.46	-4.90	9.82	Apr-98	Jul-10
Lyxor Global Arbitrage Fund Ltd Class (USD)	0.41	0.43	2.54	3.37	3.49	-1.91	5.46	Jul-06	Jun-10
Global Macro									
FRM Sigma Fund PCC Limited - Class A	-2.04	1.66	10.98	15.27	-10.19	33.23	19.98	Nov-05	Jul-10
Ramius RTS Global Fund	-0.77	-1.49	-3.53	5.25				Mar-10	Jul-10
Long/Short Equity									
APAM Absolute Equity - Asia Fund	-1.32	-0.19	6.08	12.43	-3.98	10.76	18.56	May-06	Jun-10
Attalus Long-Short Equity Fund Ltd	0.93	-2.23	6.47	6.92	7.98	-18.12	17.24	Feb-01	Jul-10
AWJ Fund	-1.64	-1.04	10.74	6.84	9.05	-9.72	28.63	Jul-00	Jul-10
BNP Paribas - Fauchier Partners Absolute Equity Trust	-1.12	0.02	0.05	6.83				Jan-10	Jun-10
BT Total Return Fund (EurekahedgeFOF)	-0.12	-1.31	5.34	3.21	9.84	-8.61	8.92	Jan-01	Jun-10
Coastal Hedged International Equity Fund (AUD - Onshore)	0.48	-0.04	2.03	6.79	4.62	-19.33	2.64	Oct-04	Jun-10
FRM Global Equity Fund SPC World Equity - Class B	-0.97	-0.43	-0.33	10.08	16.34	-26.32	9.19	Apr-06	Jun-10
HFA International Shares Fund HW	-1.84	-0.16	5.51	5.02	8.17	-4.76	11.16	Apr-01	Jun-10
JANA Australian Share Long Short Trust	2.07	-9.55	-2.55	18.36	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	-7.32	-27.73	-5.19	May-06	Jul-10
Lyxor Long Short Equity Ltd (USD Class)	2.45	1.97	1.94	6.35	1.21	-11.00	10.46	Jul-06	Mar-10
Penjing Asia Equity Fund - Class A	2.47	-3.17	-5.30	14.11	25.09	-30.84	2.31	Oct-07	Jul-10
Multi-Strategy									
Ashton Performance Fund	2.82	-1.13	3.33	11.60	12.45	-26.18	20.00	Nov-05	Jul-10
Ashton Select Fund	2.10	1.93	2.50	8.22	12.55	-20.88	10.13	Nov-05	Jul-10
Attalus Multi-Strategy Fund Ltd	0.44	-2.27	5.43	5.03	12.54	-21.42	12.40	Feb-00	Jul-10
Aurum Isis Plus Dollar Fund Ltd#	0.39	9.94	5.33	5.60	9.94	-1.80	13.47	Feb-04	Dec-09
Aurum Multi Strategy Dollar Fund Ltd.	0.04	-0.88	3.20	5.34	10.74	-5.99	8.50	Jan-07	Jul-10
BNP Paribas - Fauchier Partners Absolute Return Trust	-0.77	0.44	2.46	7.75	17.72	-12.86	3.98	Sep-07	Jun-10
BT Global Return Fund	-0.16	8.55	4.18	7.08	15.42	-29.62	9.43	Oct-01	Jun-10
CCP Global Inefficiencies Fund Segregated Portfolio (USD)	0.84	-0.12	-1.22	3.99	4.06	-9.63	2.51	Jul-07	Jul-10
CCP Strategic Fund (USD)	-0.82	-4.32	-0.92	11.10	11.40	-30.02	21.53	Jun-06	Jul-10
Coastal Magnum Diversified Performance Fund (AUD - Onshore)	-0.79	-2.66	5.74	5.78	11.31	-11.86	8.66	Jul-00	Jun-10

Fund Name	Last Month %	Year To Date %	Annualised (M) Compound Return %	Annualised (M) Standard Deviation %	2009 Return %	2008 Return %	2007 Return %	Inception Date	Last Reporting Month
DWS Strategic Value Fund	-1.35	-0.92	4.57	6.14	9.30	-23.65	9.66	Dec-99	Jun-10
Everest Absolute Return Fund	0.86	-0.27	-5.77	14.32	-15.83	-51.19	15.22	Jul-03	Apr-10
Everest Absolute Return Fund 1	0.21	1.91	2.22	5.93	1.33	-22.25	9.82	Oct-03	Jun-10
Everest Absolute Return Fund 2	0.31	1.54	2.26	5.18	0.73	-17.57	8.49	Jun-04	Jun-10
Everest Absolute Return Fund 3	0.79	3.38	-2.81	6.85	-0.75	-23.05	8.59	Sep-06	Jun-10
Everest Masters Fund	4.39	8.23	-3.62	13.33	8.41	-43.60	8.79	Jan-06	May-10
Everest Super Select Fund	6.27	5.74	-3.25	15.71	-22.17	-45.50	17.93	Jan-04	May-10
FRM Absolute Alpha Fund PCC Ltd Diversified	1.07	3.22	5.66	6.37	13.42	-23.47	16.71	Nov-02	Jul-10
FRM Absolute Alpha Fund PCC Ltd Opportunistic	-0.47	-0.53	5.66	5.15	5.29	-2.74	14.14	May-98	Jul-10
FRM Credit Strategies Fund PCC Ltd - Class A	0.00	3.92	6.17	6.70	12.84	-14.88	18.30	May-06	Jul-10
GMO Multi-Strategy Trust	0.73	0.79	6.83	5.76	-2.01	18.52	5.37	Jul-03	Jul-10
HDF Asiavest Ltd. - Class A (EUR)	-0.36	-3.18	3.59	7.96	5.16	-19.36	10.24	Aug-03	Jun-10
HDF Eurovest Class A USD	-1.44	-2.34	9.63	9.02	14.76	-22.43	7.06	Jan-00	Jul-10
HDF Fixed Income Alternative Class A USD	-0.44	1.30	4.77	3.40	8.11	-15.56	7.93	Jan-97	Jul-10
HDF Multivest Ltd. (Class A USD)	-0.63	-3.12	1.37	6.86	3.21	-21.37	7.36	Sep-04	Jun-10
HDF Xiphias International Class AA USD	0.12	-1.06	1.37	7.59	6.94	-19.68	9.27	Oct-05	Jul-10
HFA Diversified Investments Fund HW	-0.31	0.61	4.11	7.22	19.05	-28.79	9.37	Apr-01	Jun-10
IS Global Opportunities Fund	-0.99	0.00	4.73	6.70	8.69	-13.38	16.33	Dec-03	Feb-10
Liongate Multi Strategy Fund - USD Class	-1.20	-2.21	9.42	6.31	8.43	-9.99	17.71	Apr-04	Jun-10
Lyxor Diversified Fund Ltd Class (USD)	0.48	-0.09	2.82	5.30	3.64	-6.71	10.63	Jul-06	Jun-10
Lyxor Focus Fund Ltd (USD Class)	2.62	2.18	4.94	5.66	5.41	-4.78	13.21	Jul-06	Mar-10
MQ Absolute Return Strategies - Asia - USD	-0.11	-2.30	6.39	7.17	9.03	-12.87	26.64	Mar-06	Jun-10
Ramius Alternative Replication Fund Ltd	-3.42	-2.85	-1.01	5.61	2.25			Oct-09	May-10
Select Alternatives Portfolio (AUD - Onshore)	-0.45	1.11	5.23	7.99	12.53	-15.60	9.64	Apr-04	Jul-10
Specialist									
CCP Greater China Fund Segregated Portfolio (USD)	2.34	-4.43	3.34	10.24	16.63	-20.06	25.22	Apr-07	Jul-10
Penjing Asia Market Independent Fund - Class A	0.20	-0.49	3.02	3.61	12.27	-3.88	1.32	Oct-07	Jul-10
Ramius Value Creation FOF Ltd.	-2.69	0.25	-4.79	14.44	25.44	-29.65		Jan-08	Jun-10

* Denotes gross performance