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June Absolute Return and Hedge Fund Review

May 2009 – Final Results

Australian based Absolute Return and Hedge Funds continued their outperformance during May, returning an average of 2.55% across all strategies based on 71% of results to hand. This was the third consecutive month of positive returns, bringing 2009 YTD returns to +5.91%, and 12 month performance to -10.91%.

Performance across broad asset classes was reasonably consistent for the month with equity based funds returning 2.53% vs. non Equity funds 2.58%. Fund of Funds were up higher than might be expected, at 2.59%, however only 38% of these have as yet reported. Against the ASX200, the outperformance continues, over both the month, (+1.70%) YTD, (+3.33%) 12 months, (+21.69%) and since January 2004. (+38.46%)

The one month outperformance of +1.56% is interesting because historically Hedge Funds have underperformed in rising markets due to their defensive nature.

Cumulative performance

As an example of the maxim that “the larger the hole you dig, the harder it is to climb out” the ASX200 gave up almost 100% of the gains made between January 2004 to late 2007 and is now still only 16% above the level of 2004. As such it needs to rise over 70% from its lows of March 2009 to recover its November 2007 peak.

Absolute return and hedge funds by contrast rose 80% over the period January 2004 to November 2007, before falling, but still retained gains of 45% when at the lows of March 2009, and as at the end of May are up a cumulative 55% since January 2004. Somehow in spite of this hedge funds are generally considered to be risky and speculative by a wide section of the community including ASIC who have placed them in the “outside the flags” category when considering investor risk.

Some funds have undoubtedly earned this reputation, but careful examination both when selecting an investment and analysing the subsequent results can save many a “tear before bedtime.”

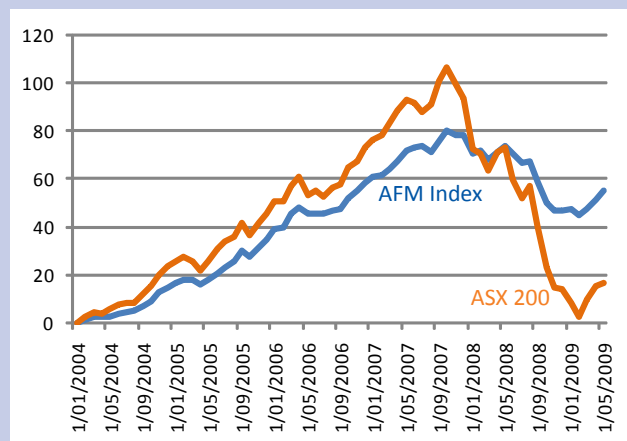
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| AFM Hedge Fund Index | Last 12 months | May 2009 |
|---------------------------------|----------------|----------|
| AFM Hedge Fund Index | -10.91% | 2.55% |
| AFM Equity Based Fund Index | -12.42% | 2.53% |
| AFM Non Equity Based Fund Index | -9.46% | 2.58% |
| AFM Fund of Fund Index | -20.52% | 2.59% |
| AFM Single Fund Index | -7.68% | 2.54% |

| Index/Sector | Last 12 months | May 2009 |
|--------------------------------------|----------------|----------|
| ASX200 | -32.48% | 0.99% |
| S&P500 | -34.37% | 5.31% |
| MSCI World ex Australia | -32.06% | 5.91% |
| % of AFM Index outperforming ASX | 89% | 68% |
| % of AFM index with Positive Returns | 29% | 83% |

Cumulative performance since January 2004





Industry comment

Fees, commissions and conflicts

The debate over fees, commissions and conflicts has flared with parliamentary enquiries and proposals both in Australia and the UK that commissions for financial advice should be outlawed, and fees should be not only lowered but made fully transparent.

Whether commissions should be outlawed or not is an interesting case, as one of the dangers of forcing investors to pay up front is that some may choose the false economy of no advice at all. On the other hand, maybe no advice at all is preferable to poor advice, or worse, conflicted advice.

Any examination of fees must also include the total costs involved in the distribution of financial products, and at all levels. There should also be complete transparency of fees, whether at fund, or fund of fund level. Provided there is full transparency, and full disclosure of all and any conflicts, then at least the consumer has half a chance of ensuring they are getting independent advice.

According to Peter Johnston from the Association of Independently Owned Financial Planners, the majority of all financial planners in Australia are “owned” or connected in some way with one of the major banks or product manufacturers. Certainly the ability to therefore have independent advice would seem to be limited.

Whilst on the subject of conflicts, the current practice of Fund Managers having to pay a research house for an “independent” research report or rating provides yet another issue of independence. We are not suggesting that any payment automatically creates bias, but there can be no question that this system creates a potential conflict.

Australian Fund Monitors provides an independent source of information on Absolute Return Funds, including Hedge Funds and Alternative Investments, either managed from, or available in Australia.

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The world is recovering (just) from a complete breakdown of credit markets which were in large part aided and abetted by ratings agencies and research houses providing AAA ratings to CDO's and CLO's which were either not warranted or understood, or even worse, understood and not warranted. The banking crisis that ensued, although far worse offshore than in Australia, should ensure that it will never happen again.

However, our guess is that it will, once memories are faded enough to allow it.

Equity based absolute return funds: Alternatives or actively managed equities

As the performance of equity markets come under further scrutiny and analysis, the question is starting to be asked whether equity based hedge funds should be placed in the “alternatives” category as they frequently are at present, or moved into the “active equity” basket?

There is a strong view, and logic, that many funds should be re-examined on this basis. When viewed from the perspective of the underlying asset – equities – there is little doubt that this is the case. And it can hardly be argued that they do not fit the “active” description.

In spite of the intense debate which has raged over the question of short selling (and has thankfully subsided now the market has stabilised) during the last year, it can hardly be argued that short selling really constitutes “alternative.” Equally most uses of exchange traded option strategies would logically categorise them as active rather than alternative.

From a performance perspective most Australian investors over the past 12 to 18 months would undoubtedly have been better off had they included single manager, Australian equity based hedge funds as part of their active (not to mention passive) equity asset allocation.

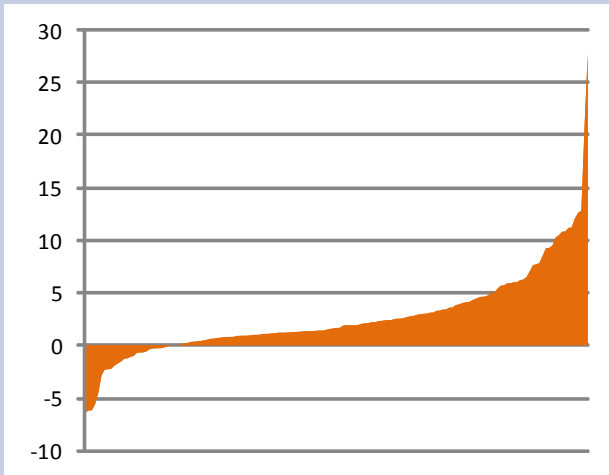
Interestingly “130/30” style strategies devised by some long only managers to combat hedge funds, and to allow themselves some flexibility on the short side, have been the worst performing of all the strategies monitored by AFM. And while equity market neutral has been the stand out performer of equity based strategies, those such as event driven, equity buy/write, equity income and equity long short have all provided significant downside protection, and outperformance, against the ASX.



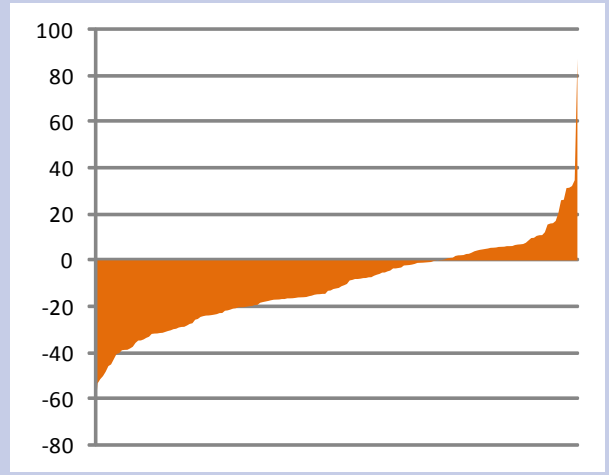
Distribution of Returns

Almost 83% of funds provided positive returns in May, and over 70% have been positive YTD. This is a sharp improvement on the 12 month and 2008 figures of 29% and 25% respectively.

Distribution of May Returns (%)



Distribution of Returns for 12 months to May (%)

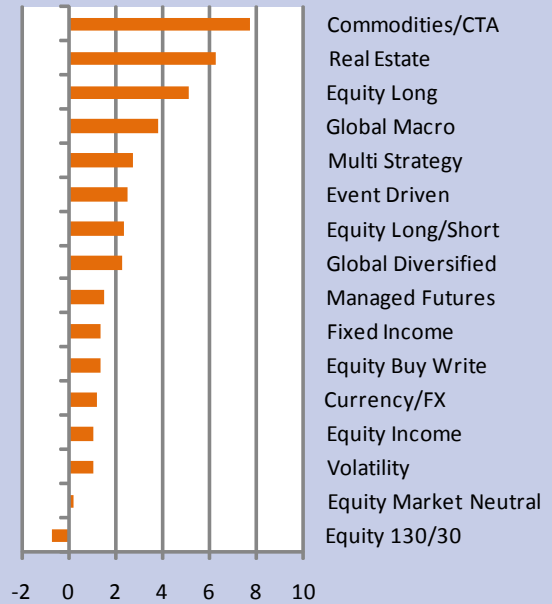


Strategy Performance

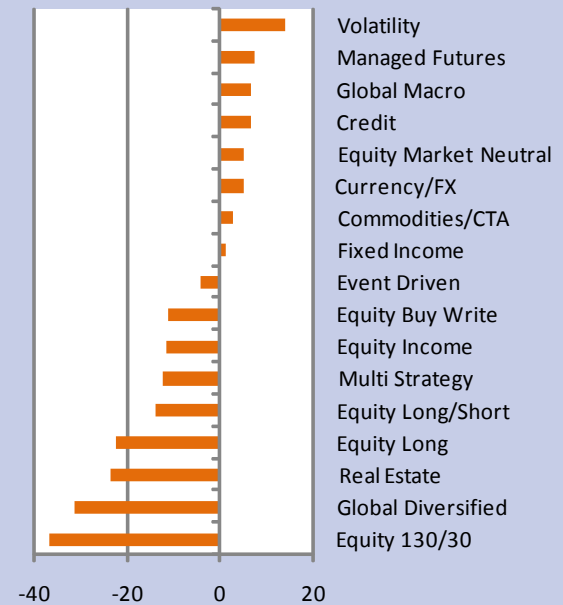
May's performance was almost universally positive across all strategies, the one exception being Equity 130/30. This is somewhat ironic given that this was hailed as the long only manager's answer to the absolute return threat to their FUM.

Strongest returns not surprisingly came from the Commodities/CTA sector following the strong rebound in the underlying commodity markets during the month.

Average Return by Strategy May 2009 (%)



Average Return by Strategy for Last 12 Months (%)



Other strategies to perform strongly were Equity Long where high conviction managers continued to impress after their under performance in 2008.

Nearly all strategies performed better than the ASX200, with over half doubling the index.

Top performers by Strategy

Latest month...vs. last 12 months

| Equity Long Funds | May | Rank | 12 mth | Rank* |
|--------------------------------|--------|------|---------|-------|
| Baker Steel Gold | 20.94% | 1 | -9.91% | 4 |
| Allard Growth | 12.80% | 2 | -12.90% | 5 |
| Optimal Japan Absolute Long | 9.49% | 3 | -24.73% | 9 |
| Pengana Global Small Companies | 6.50% | 4 | -37.44% | 15 |
| Platinum Unhedged | 6.00% | 5 | -4.36% | 3 |

* Ranking compared to other Equity Long Funds (17 in total)

| Equity Long Funds | 12 mth | Rank | May | Rank* |
|-----------------------|---------|------|--------|-------|
| Allard Investment | 2.89% | 1 | 4.00% | 7 |
| Premier Equity Return | 0.39% | 2 | 1.35% | 14 |
| Platinum Unhedged | -4.36% | 3 | 6.00% | 5 |
| Baker Steel Gold | -9.91% | 4 | 20.94% | 1 |
| Allard Growth | -12.90% | 5 | 12.80% | 2 |

* Ranking compared to other Equity Long Funds (17 in total)

| Equity Long/Short Funds | May | Rank | 12 mth | Rank* |
|-------------------------------|--------|------|---------|-------|
| Naos Small Companies | 27.70% | 1 | -39.67% | 53 |
| K2 Peak Asian Absolute Return | 12.07% | 2 | -10.25% | 24 |
| OC Concentrated Equity | 10.80% | 3 | -14.25% | 28 |
| K2 Asian Absolute Return | 10.26% | 4 | -5.66% | 20 |
| Jaguar Australian Leaders L/S | 8.52% | 5 | -25.93% | 43 |

* Ranking compared to other Equity Long/Short Funds (56 in total)

| Equity Long/Short Funds | 12 mth | Rank | May | Rank* |
|-----------------------------------|--------|------|-------|-------|
| APAM Absolute Equity - Asia | 29.93% | 1 | 0.80% | 36 |
| Platinum Japan - AUD | 17.96% | 2 | 2.50% | 19 |
| SHC Ailsa | 16.10% | 3 | 3.00% | 17 |
| SHC Arran | 14.43% | 4 | 3.39% | 15 |
| Platinum International Technology | 14.11% | 5 | 5.40% | 11 |

* Ranking compared to other Equity Long/Short Funds (56 in total)

| Equity Market Neutral Funds | May | Rank | 12 mth | Rank* |
|-----------------------------------|-------|------|---------|-------|
| Macquarie Aust. Market Neutral | 2.52% | 1 | 0.82% | 5 |
| Tasman Market Neutral | 2.05% | 2 | -12.36% | 8 |
| Amazon Market Neutral | 1.55% | 3 | -12.72% | 9 |
| Fortitude Capital Absolute Return | 1.20% | 4 | 10.45% | 3 |
| Fortitude Capital Extension | 0.79% | 5 | 5.10% | 4 |

* Ranking compared to other Equity Market Neutral Funds (10 in total)

| Equity Market Neutral Funds | 12 mth | Rank | May | Rank* |
|-----------------------------------|--------|------|--------|-------|
| Bennelong Securities L/S Equity | 21.33% | 1 | -1.24% | 6 |
| TI Intercept Capital | 12.22% | 2 | -1.56% | 7 |
| Fortitude Capital Absolute Return | 10.45% | 3 | 1.20% | 4 |
| Fortitude Capital Extension - USD | 5.10% | 4 | 0.79% | 5 |
| Macquarie Aust. Market Neutral | 0.82% | 5 | 2.52% | 1 |

* Ranking compared to other Equity Market Neutral Funds (10 in total)

| Event Driven Funds | May | Rank | 12 mth | Rank* |
|-------------------------------|-------|------|--------|-------|
| MQ Special Events | 9.23% | 1 | 12.45% | 1 |
| Macquarie Eurasian Dividend | 1.96% | 2 | 3.71% | 3 |
| MM&E Capital Investment No. 2 | 1.27% | 3 | -7.90% | 5 |
| Austral Equity | 1.24% | 4 | 7.45% | 2 |
| MM&E Capital Investment No. 1 | 1.08% | 5 | -7.68% | 4 |

* Ranking compared to other Event Driven Funds (6 in total)

| Event Driven Funds | 12 mth | Rank | May | Rank* |
|-------------------------------|--------|------|-------|-------|
| MQ Special Events | 12.45% | 1 | 9.23% | 1 |
| Austral Equity | 7.45% | 2 | 1.24% | 4 |
| Macquarie Eurasian Dividend | 3.71% | 3 | 1.96% | 2 |
| MM&E Capital Investment No. 1 | -7.68% | 4 | 1.08% | 5 |
| MM&E Capital Investment No. 2 | -7.90% | 5 | 1.27% | 3 |

* Ranking compared to other Event Driven Funds (6 in total)

| Global Macro Funds | May | Rank | 12 mth | Rank* |
|--|--------|------|--------|-------|
| Blue Sky World Fund | 11.17% | 1 | 28.99% | 2 |
| Absolute Macro Diversified (USD) | 10.83% | 2 | -8.96% | 7 |
| Absolute Macro Diversified (GBP) | 9.26% | 3 | -8.10% | 6 |
| Apeiron Global Macro - Class A | 1.34% | 4 | 19.52% | 3 |
| BlackRock Asset Alloc. Alpha (Class D) | 0.91% | 5 | 34.44% | 1 |

* Ranking compared to other Global Macro Funds (8 in total)

| Global Macro Funds | 12 mth | Rank | May | Rank* |
|--|--------|------|--------|-------|
| BlackRock Asset Alloc. Alpha (Class D) | 34.44% | 1 | 0.91% | 5 |
| Blue Sky World | 28.99% | 2 | 11.17% | 1 |
| Apeiron Global Macro - Class A | 19.52% | 3 | 1.34% | 4 |
| GMO Global Tactical | 4.90% | 4 | 0.13% | 7 |
| H3 Global Strategies | 2.03% | 5 | -2.83% | 8 |

* Ranking compared to other Global Macro Funds (8 in total)

Top performers by Strategy

Latest month...vs. last 12 months

| Managed Futures Funds | May | Rank | 12 mth | Rank* |
|-------------------------------------|-------|------|--------|-------|
| Ebisu Managed Futures | 5.90% | 1 | N/A | - |
| Kaiser Trading Fund 2x | 3.89% | 2 | 8.04% | 4 |
| Attunga Power and Enviro (Offshore) | 3.58% | 3 | N/A | - |
| Kaiser Trading | 1.87% | 4 | 4.27% | 5 |
| Blue Fin Capital - Mgd Commodities | 1.66% | 5 | 2.97% | 6 |

* Ranking compared to other Managed Futures Funds (10 in total)

| Managed Futures Funds | 12 mth | Rank | May | Rank* |
|----------------------------------|--------|------|--------|-------|
| Zone Capital Trust 1 | 20.10% | 1 | 1.40% | 4 |
| Aspect Futures | 13.31% | 2 | -2.24% | 7 |
| Macquarie High Alpha Commodities | 10.49% | 3 | 1.26% | 5 |
| Kaiser Trading 2x | 8.04% | 4 | 3.89% | 1 |
| Kaiser Trading | 4.27% | 5 | 1.87% | 2 |

* Ranking compared to other Managed Futures Funds (10 in total)

| Commodities/CTA Funds | May | Rank | 12 mth | Rank* |
|------------------------------|--------|------|---------|-------|
| CSL Active Long/Short | 11.21% | 1 | 4.78% | 2 |
| CSL Active Long Only | 10.46% | 2 | 1.93% | 3 |
| Argus Dynamic Multi-strategy | 7.63% | 3 | 34.57% | 1 |
| H3 Global Commodities | 7.03% | 4 | -12.34% | 5 |
| DV01 Mechelle Pty Ltd | 2.70% | 5 | -11.73% | 4 |

* Ranking compared to other Commodities/CTA Funds (5 in total)

| Commodities/CTA Funds | 12 mth | Rank | May | Rank* |
|------------------------------|---------|------|--------|-------|
| Argus Dynamic Multi-strategy | 34.57% | 1 | 7.63% | 3 |
| CSL Active Long/Short | 4.78% | 2 | 11.21% | 1 |
| CSL Active Long Only | 1.93% | 3 | 10.46% | 2 |
| DV01 Mechelle Pty Ltd | -11.73% | 4 | 2.70% | 5 |
| H3 Global Commodities | -12.34% | 5 | 7.03% | 4 |

* Ranking compared to other Commodities/CTA Funds (5 in total)

| Currency/FX Funds | May | Rank | 12 mth | Rank* |
|-----------------------------|--------|------|--------|-------|
| Absolute Trading 1 | 4.53% | 1 | 8.43% | 1 |
| Blue Fin Capital Managed FX | 0.72% | 2 | 7.32% | 2 |
| H3 Global Currency | 0.62% | 3 | -0.60% | 4 |
| Excalibur Absolute Return | -1.10% | 4 | 4.13% | 3 |

* Ranking compared to other Currency/FX Funds (4 in total)

| Currency/FX Funds | 12 mth | Rank | May | Rank* |
|-----------------------------|--------|------|--------|-------|
| Absolute Trading 1 | 8.43% | 1 | 4.53% | 1 |
| Blue Fin Capital Managed FX | 7.32% | 2 | 0.72% | 2 |
| Excalibur Absolute Return | 4.13% | 3 | -1.10% | 4 |
| H3 Global Currency | -0.60% | 4 | 0.62% | 3 |

* Ranking compared to other Currency/FX Funds (4 in total)

| Multi Strategy Funds | May | Rank | 12 mth | Rank* |
|-------------------------------------|-------|------|---------|-------|
| Prodigal Absolute Cayman | 6.25% | 1 | 0.36% | 8 |
| Access SRA Fund - SRA 16 | 5.68% | 2 | 48.82% | 1 |
| Wilson Investment Fund Ltd | 5.01% | 3 | -16.11% | 14 |
| WAM Active Ltd | 5.00% | 4 | -0.80% | 9 |
| Van Eyk Blueprint Alternatives Plus | 4.08% | 5 | -15.83% | 13 |

* Ranking compared to other Multi Strategy Funds (16 in total)

| Multi Strategy Funds | 12 mth | Rank | May | Rank* |
|------------------------------|--------|------|--------|-------|
| Access SRA Fund - SRA 16 | 48.82% | 1 | 5.68% | 2 |
| Attunga Agricultural Trading | 25.41% | 2 | 1.22% | 13 |
| Access SRA Fund - SRA 4 | 7.45% | 3 | 0.93% | 14 |
| RTM Absolute Return | 4.64% | 4 | -0.58% | 16 |
| PM CAPITAL Enhanced Yield | 3.91% | 5 | 1.50% | 11 |

* Ranking compared to other Multi Strategy Funds (16 in total)

| Global Diversified Funds | May | Rank | 12 mth | Rank* |
|--------------------------------------|-------|------|---------|-------|
| HFA Diversified Investments (W'sale) | 4.63% | 1 | -24.08% | 6 |
| HFA Diversified Investments (Retail) | 4.61% | 2 | -24.33% | 7 |
| HFA Accelerator Plus Limited | 4.10% | 3 | -67.85% | 8 |
| Alpha Strategic - Class A | 2.09% | 4 | 6.01% | 1 |
| FRM Absolute Alpha | 1.90% | 5 | -20.58% | 4 |

* Ranking compared to other Global Diversified Funds (8 in total)

| Global Diversified Funds | 12 mth | Rank | May | Rank* |
|----------------------------|---------|------|--------|-------|
| Alpha Strategic - Class A | 6.01% | 1 | 2.09% | 4 |
| BT Total Return | 0.07% | 2 | -0.06% | 8 |
| Everest Absolute Return II | -16.83% | 3 | 0.42% | 7 |
| FRM Absolute Alpha Fund | -20.58% | 4 | 1.90% | 5 |
| Everest Absolute Return I | -21.83% | 5 | 0.54% | 6 |

* Ranking compared to other Global Diversified Funds (8 in total)

Manager performance highlights

This is a selection of manager performance articles that were posted on the Australian Fund Monitors website over the last month. For more performance summaries, people in Australia [click here](#), people outside Australia please [click here](#).

Commodity Strategies funds power to double digits in May

Both Commodity Strategies funds recorded impressive gains in May, the Long/Short Programme up +11.21%, and the Long Only Programme up +10.54%.

Long/Short 1 yr return: +4.78%. Annual (Oct 2007): +24.51%

Long Only 1 yr return: +1.93%. Annual (Dec 1999): +12.47%

Energy commodities were the key contributor to overall performance for both funds. In particular, RBOB gasoline, crude oil and heating oil performed strongly. The only negative performance came from strategies in aluminium, natural gas, cocoa and cotton, with the largest individual negative return being less than -0.5%. Both results are subject to final confirmation from the Funds' administrator.

The cumulative return now stands at +694.2% for the Long/Short Programme, and +203.18% for the Long Only Programme.

Macquarie fund posts record return in May, +9.23%

The MQ Special Events Fund, managed by Macquarie, gained a record +9.23% in May, the seventh consecutive month the Fund has posted a positive return.

1 yr return: +10.64%. Annual (Sept 2003): +10.78%

The best performing strategies included capital raisings (+4.2%) and targeted buy-write (+3.3%). The glut of attractively-priced equity issues in Australia and New Zealand underpinned performance, particularly while credit markets remained expensive. Investments in the materials, energy, gold and financial sectors in the Fund's targeted buy-write strategy also provided solid returns.

Bennelong down in May over defensive positioning, -1.24%

The Bennelong Long Short Equity Fund lost -1.24% in May driven by the defensive positioning of the Fund, although it maintained a positive YTD return of +15.68%.

1 yr return: +21.33%. Annual (Jan 2003): +24.86%

Portfolio activity was low again during May, as the manager remained skeptical about economic conditions and outlook. The top spread for the month was long Riverside Mining with against short Fortescue Metals, while the bottom spread was long Billabong versus short David Jones.

Stock selection drives MM&E fund to another positive month, +3.82%

The MM&E Capital Takeover Target Fund posted a gain of +3.82% in May, outperforming its benchmark the ASX 300 Index.

1 yr return: -19.23%. Annual (Aug 2005): +7.13%

Individual stock selections were the main contributor to this outperformance. Caltex, benefiting from expected consolidation of the Australian petrol market, IAG and Tower, whose premium incomes are rising due to the recent string of extreme weather events, and APN News & Media, on the back of a recent capital raising, were the standout performers. Asciano also made a positive contribution, as the Fund sold its position for a second profit given the ongoing uncertainty regarding its asset disposal program.

Allard fund posts another double digit return, +12.8%

The Allard Growth Fund was up +12.8% in May, consolidating its April return of +11%.

1 yr return: -12.90%. Annual (Jan 1996): +12.35%

The Fund, an equity long only fund investing in Asia, benefited from another month of strong performances in Asian markets. Key drivers included India's largest bank announcing a 22.3% increase in profits and Korea's leading provider of general and personal insurance reporting a profit increase of 25.6% year-on-year. The cash holdings of the Fund increased slightly to 20.5% as the Fund took profits for a number of holdings after recent price rises.

The total net return for the Fund since inception now stands at +376.9%

Blue Sky fund posts another gain, +28.14% YTD

The Blue Sky World Fund reported a gain of +11.17% in May, and is now +28.14% for 2009.

1 yr return: +28.99%. Annual (Jan 2006): +28.25%

This strong result comes after the Fund posted a small loss of -3.96% for 2008. The Fund's total return since inception now stands at +129.11%.

Although short index futures strategies posted a significant loss for May (-3.54%), positive performance in all other strategies, particularly Asia Pacific equities with +8.67%, more than offset this loss.

QAM Asian continues recovery after rocky start to 2009

Quant Asset Management's (QAM) Asian Equities Fund was up an impressive +12.44% in May, the third consecutive month the Fund has posted a solid gain after heavy losses in January and February.

1 yr return: -19.79%. Annual (Apr 2004): +16.16%



The Fund, which ended March most heavily invested in South Korea, Japan and Hong Kong, continued to enjoy the rallies in the equity markets of these countries during the month. The return of the Fund since inception now stands at +116.8%.

Pengana small cap fund +25% on March lows

The Pengana Emerging Companies Fund gained +4.4% in May, and has now recovered +25% from its lowest points in early March.

1 yr return: -30.10%. Annual (Oct 2007): -27.03%

Although the Fund has struggled over the past year, the last six months have proven to be far more positive (+13.2%). The Fund remained invested chiefly in quality stocks with stable balance sheets while economic conditions continue to be uncertain, although it has invested in some cyclical stocks. The ongoing shortage of investors in the small cap sector also continues to provide opportunities for the Fund.

Excalibur posts first loss of 2009, -1.1%

The Excalibur Absolute Return Fund fell by -1.1% in May, the first negative monthly result for the Fund since November last year.

1 yr return: +4.13%. Annual (Jun 2006): +19.96%

Despite this result the Fund has maintained a positive YTD return of +2.33%, following on from a 2008 return of +12.23%. The annualised risk (standard deviation) of the Fund now stands at 9.47%.

Prodigal records another positive return in May, +6.25%

The Prodigal Absolute Cayman Fund gained +6.25% in May and is up +26.37% for 2009. The Fund has not posted a negative return since October 2008.

1 yr return: +0.36%. Annual (May 2007): +4.48%

The Fund recorded positive performances across most strategies, especially convertible arbitrage which has been the strongest performer for the Fund for the past six months. The risk arbitrage portfolio, which has been negative in recent months, and model trading also contributed positive returns in May. At month end the Fund was 80% invested, mostly in model trading (40%) and convertible arbitrage (32%). All returns are subject to confirmation by the administrator.

Naos fund continues recovery from 2008 lows, +27.7% in May

The Naos Small Companies Fund was up +27.7% in May, continuing its recent run of impressive returns to post a three month return of +58.55%.

1 yr return: -15.05%. Annual (Jan 2005): +3.82%

The Fund's 2009 return now stands at +67%, comprising a consecutive five months of positive returns. However these results come after a particularly difficult 2008 for the Fund,

down -63.63% for the calendar year and -20.37% in October alone.

Standout individual performers in May were positions in Acrux (+100%) and Austin Engineering (+35%).

Apeiron fund +1.34% on increased market optimism

The Apeiron Global Macro Fund reported a gain of +1.34% in May, in a month where ongoing optimism over a global economic recovery fuelled sideways movements in markets.

1 yr return: +19.52%. Annual (Feb 2006): +18.35%

Although the Fund continues to post solid monthly gains, the manager remains skeptical on the sustainability of the current economic recovery, and believes this will present opportunities for the Fund. The Fund's annualised risk (standard deviation) now stands at 11.4%.

St Helens' Ailsa makes gains on long and short portfolios, +3%

The St Helens Capital Ailsa Fund returned +3% in May with positive returns from both its long and short trades, and is now up +16.71% for 2009.

1 yr return: +16.1%. Annual (Dec 2001): +12.57%

Short strategies that proved successful included Rio Tinto and Leighton Holdings, while Bluescope, Oil Search and Stockland were positive long positions. Other long standing positions also contributed positive returns to the Fund. Going into June the Fund is becoming more defensively positioned as the manager strives to take advantage of opportunities in current markets.

Platypus fund stung by ongoing commodities rally, -6.18% in May

The Platypus Australian Long/Short Fund lost -6.18% in May, driven by losses on short positions in the materials sector.

1 yr return: -18.98%. Annual (Oct 2005): +2.4%

The Fund, which is managed by Platypus Capital Management, was hurt by the ongoing rally of base metal prices since the start of 2009, which was reflected in the share prices of materials companies (the sector gained +6.58% in May). The Fund has been short in this sector for some months, which provided positive returns in late 2008 and early 2009, however more recently this strategy has been dragging down performance. Although short positions are being reduced, this is being undertaken gradually therefore most of the losses have stemmed from long standing positions.

To view the **individual performance of a fund**, or **search the database** by fund manager and/ or fund name, click on the following links to access the Fund Selector > [local investors](#) or [offshore investors](#).

Top performing funds in May - Single Managers

| Fund Name | Strategy | May | Ranking | Latest 12 Months | Ranking* |
|---|-------------------|--------|---------|------------------|----------|
| Naos Small Companies Fund | Equity Long/Short | 27.70% | 1 | -39.67% | 125 |
| Baker Steel Gold | Equity Long | 20.94% | 2 | -9.91% | 70 |
| Allard Growth Fund | Equity Long | 12.80% | 3 | -12.90% | 79 |
| K2 Peak Asian Absolute Return Fund | Equity Long/Short | 12.07% | 4 | -10.25% | 72 |
| CSL Active Long/Short Programme | Commodities/CTA | 11.21% | 5 | 4.78% | 26 |
| Blue Sky World Fund | Global Macro | 11.17% | 6 | 28.99% | 3 |
| Absolute Macro Diversified Fund (USD) | Global Macro | 10.83% | 7 | -8.96% | 69 |
| OC Concentrated Equity Fund | Equity Long/Short | 10.80% | 8 | -14.25% | 84 |
| CSL Active Long Only Programme | Commodities/CTA | 10.46% | 9 | 1.93% | 36 |
| K2 Asian Absolute Return Fund | Equity Long/Short | 10.26% | 10 | -5.66% | 60 |
| Optimal Japan Absolute Long Fund | Equity Long | 9.49% | 11 | -24.73% | 103 |
| Absolute Macro Diversified Fund (GBP) | Global Macro | 9.26% | 12 | -8.10% | 66 |
| MQ Special Events Fund | Event Driven | 9.23% | 13 | 12.45% | 14 |
| Jaguar Australian Leaders Long Short Unit Trust | Equity Long/Short | 8.52% | 14 | -25.93% | 105 |
| K2 Select International Absolute Return Fund | Equity Long/Short | 7.84% | 15 | -6.70% | 63 |
| Argus Dynamic Multi-strategy Program | Commodities/CTA | 7.63% | 16 | 34.57% | 1 |
| H3 Global Commodities Fund | Commodities/CTA | 7.03% | 17 | -12.34% | 74 |
| Prodigal Absolute Cayman Fund | Multi Strategy | 6.25% | 18 | 0.36% | 44 |
| Cadence Capital | Equity Long/Short | 6.20% | 19 | -37.48% | 124 |
| Platinum Unhedged Fund | Equity Long | 6.00% | 20 | -4.36% | 59 |
| Pengana Global Resources Fund | Equity Long/Short | 6.00% | 21 | -28.99% | 111 |
| Ebisu Managed Futures Program | Managed Futures | 5.90% | 22 | - | N/A |
| Naos Absolute Return Fund | Equity Long/Short | 5.90% | 23 | -33.61% | 118 |
| Platinum Asia Fund | Equity Long/Short | 5.70% | 24 | -1.95% | 54 |
| Platinum International Technology Fund | Equity Long/Short | 5.40% | 25 | 14.11% | 12 |
| Wilson Investment Fund Ltd | Multi Strategy | 5.01% | 26 | -16.11% | 87 |
| WAM Active Ltd | Multi Strategy | 5.00% | 27 | -0.80% | 48 |
| Cadence Capital Limited | Equity Long/Short | 4.74% | 28 | -21.01% | 97 |
| Absolute Trading 1 Fund | Currency/FX | 4.53% | 29 | 8.43% | 19 |
| Pengana Emerging Companies Fund | Equity Long | 4.40% | 30 | -30.10% | 113 |
| MQ Asia Long Short Fund | Equity Long/Short | 4.26% | 31 | -5.89% | 61 |
| Allard Investment Fund | Equity Long | 4.00% | 32 | 2.89% | 33 |
| Kaiser Trading Fund 2x | Managed Futures | 3.89% | 33 | 8.04% | 20 |
| MM&E Takeover Target Fund | Equity Long | 3.82% | 34 | -19.23% | 93 |
| WAM Capital Ltd | Equity Long/Short | 3.60% | 35 | -14.21% | 83 |
| Attunga Power and Enviro (Offshore) Fund | Managed Futures | 3.58% | 36 | - | N/A |
| OC Dynamic Equity Fund | Equity Long | 3.40% | 37 | -44.85% | 127 |
| SHC Arran Fund | Equity Long/Short | 3.39% | 38 | 14.43% | 11 |
| OC Premium Equity Fund | Equity Long | 3.30% | 39 | -39.81% | 126 |
| Macquarie Long Short Equitised Fund | Equity Long/Short | 3.27% | 40 | -34.31% | 120 |
| Platypus Australian Equity Fund | Equity Long | 3.10% | 41 | -30.28% | 115 |
| Select Listed Investments | Multi Strategy | 3.01% | 42 | -33.88% | 119 |
| SHC Ailsa Fund | Equity Long/Short | 3.00% | 43 | 16.10% | 9 |
| Aurora Infrastructure Buy-Write Income Trust | Equity Buy Write | 2.94% | 44 | -6.03% | 62 |

* Ranking compared to other single funds (133 in total)



Top performing funds over 12 months - Single Managers

| Fund Name | Strategy | Latest 12 Months | Ranking | May | Ranking* |
|---|-----------------------|------------------|---------|--------|----------|
| Argus Dynamic Multi-strategy Program | Commodities/CTA | 34.57% | 1 | 7.63% | 16 |
| BlackRock Asset Allocation Alpha Fund (Class D) | Global Macro | 34.44% | 2 | 0.91% | 90 |
| Blue Sky World Fund | Global Macro | 28.99% | 3 | 11.17% | 6 |
| Attunga Agricultural Trading Fund | Multi Strategy | 25.41% | 4 | 1.22% | 79 |
| Bennelong Securities Long Short Equity Fund | Equity Market Neutral | 21.33% | 5 | -1.24% | 120 |
| Zone Capital Trading Trust 1 | Managed Futures | 20.10% | 6 | 1.40% | 69 |
| Apeiron Global Macro Fund - Class A | Global Macro | 19.52% | 7 | 1.34% | 73 |
| Platinum Japan Fund - AUD | Equity Long/Short | 17.96% | 8 | 2.50% | 51 |
| SHC Ailsa Fund | Equity Long/Short | 16.10% | 9 | 3.00% | 43 |
| QIC Global Fixed Interest Alpha Fund | Fixed Income | 14.86% | 10 | 2.54% | 49 |
| SHC Arran Fund | Equity Long/Short | 14.43% | 11 | 3.39% | 38 |
| Platinum International Technology Fund | Equity Long/Short | 14.11% | 12 | 5.40% | 25 |
| Aspect Futures | Managed Futures | 13.31% | 13 | -2.24% | 125 |
| MQ Special Events Fund | Event Driven | 12.45% | 14 | 9.23% | 13 |
| TI Intercept Capital Fund | Equity Market Neutral | 12.22% | 15 | -1.56% | 122 |
| Macquarie High Alpha Commodities Fund | Managed Futures | 10.49% | 16 | 1.26% | 77 |
| Fortitude Capital Absolute Return Trust | Equity Market Neutral | 10.45% | 17 | 1.20% | 80 |
| Platinum International Fund | Equity Long/Short | 9.33% | 18 | 1.90% | 60 |
| Absolute Trading 1 Fund | Currency/FX | 8.43% | 19 | 4.53% | 29 |
| Kaiser Trading Fund 2x | Managed Futures | 8.04% | 20 | 3.89% | 33 |
| Austral Equity Fund | Event Driven | 7.45% | 21 | 1.24% | 78 |
| Blue Fin Capital Managed FX Account | Currency/FX | 7.32% | 22 | 0.72% | 96 |
| Kapstream Absolute Return Income Fund | Fixed Income | 7.24% | 23 | 0.63% | 98 |
| Fortitude Capital Extension (Caymans) Fund - USD | Equity Market Neutral | 5.10% | 24 | 0.79% | 94 |
| GMO Global Tactical Trust | Global Macro | 4.90% | 25 | 0.13% | 105 |
| CSL Active Long/Short Programme | Commodities/CTA | 4.78% | 26 | 11.21% | 5 |
| RTM Absolute Return Fund | Multi Strategy | 4.64% | 27 | -0.58% | 114 |
| Kaiser Trading Fund | Managed Futures | 4.27% | 28 | 1.87% | 63 |
| Excalibur Absolute Return Fund | Currency/FX | 4.13% | 29 | -1.10% | 119 |
| PM CAPITAL Enhanced Yield Fund | Multi Strategy | 3.91% | 30 | 1.50% | 68 |
| Macquarie Eurasian Dividend Velocity Segregated Portfolio | Event Driven | 3.71% | 31 | 1.96% | 59 |
| Blue Fin Capital - Managed Commodities Account | Managed Futures | 2.97% | 32 | 1.66% | 64 |
| Allard Investment Fund | Equity Long | 2.89% | 33 | 4.00% | 32 |
| Blue Sky Japan USD | Equity Long/Short | 2.32% | 34 | 2.12% | 57 |
| H3 Global Strategies Fund | Global Macro | 2.03% | 35 | -2.83% | 128 |
| CSL Active Long Only Programme | Commodities/CTA | 1.93% | 36 | 10.46% | 9 |
| Macquarie Winton Global Opportunities Trust | Managed Futures | 1.85% | 37 | -2.32% | 127 |
| Herschel Absolute Return Fund | Equity Long/Short | 1.24% | 38 | 0.34% | 102 |
| Attunga Enviro Opportunities Fund | Managed Futures | 1.20% | 39 | 0.02% | 106 |
| The Ascot Fund | Equity Long/Short | 1.13% | 40 | -0.35% | 113 |
| Macquarie Australian Market Neutral Fund | Equity Market Neutral | 0.82% | 41 | 2.52% | 50 |
| Arnott Opportunities Fund | Equity Long/Short | 0.75% | 42 | 1.08% | 86 |
| Premier Equity Return Fund | Equity Long | 0.39% | 43 | 1.35% | 71 |
| Prodigal Absolute Cayman Fund | Multi Strategy | 0.36% | 44 | 6.25% | 18 |

* Ranking compared to other single funds (133 in total)



Top performing funds in May - Fund of Funds (of 38% reported so far)

| Fund Name | Strategy | May | Ranking | Latest 12 Months | Ranking* |
|--|--------------------|--------|---------|------------------|----------|
| Asian REIT Property Fund | Real Estate | 12.61% | 1 | -43.90% | 21 |
| Pengana Global Small Companies Solution | Equity Long | 6.50% | 2 | -37.44% | 20 |
| Access SRA Fund - SRA 16 Portfolio | Multi Strategy | 5.68% | 3 | 48.82% | 1 |
| HFA Diversified Investments Fund (Wholesale) | Global Diversified | 4.63% | 4 | -24.08% | 18 |
| HFA Diversified Investments Fund (Retail) | Global Diversified | 4.61% | 5 | -24.33% | 19 |
| HFA Accelerator Plus Limited | Global Diversified | 4.10% | 6 | -67.85% | 22 |
| Van Eyk Blueprint Alternatives Plus | Multi Strategy | 4.08% | 7 | -15.83% | 12 |
| Select Growth | Multi Strategy | 3.10% | 8 | -18.60% | 14 |
| Access SRA Fund - SRA 9 Portfolio | Multi Strategy | 2.75% | 9 | 2.55% | 5 |
| FRM Global Equity Fund | Equity Long/Short | 2.37% | 10 | -20.30% | 15 |
| Select Alternatives Portfolio | Multi Strategy | 2.28% | 11 | -14.06% | 11 |
| Alpha Strategic Fund - Class A | Global Diversified | 2.09% | 12 | 6.01% | 4 |
| FRM Absolute Alpha Fund PCC Ltd Diversified | Global Diversified | 1.90% | 13 | -20.58% | 16 |
| Select Defensive Portfolios | Multi Strategy | 1.39% | 14 | -13.63% | 10 |
| HFA International Shares Fund (Wholesale) | Equity Long/Short | 1.00% | 15 | -0.53% | 8 |
| Access SRA Fund - SRA 4 Portfolio | Multi Strategy | 0.93% | 16 | 7.45% | 3 |
| HFA International Shares Fund (Retail) | Equity Long/Short | 0.89% | 17 | -2.14% | 9 |
| APAM Absolute Equity - Asia Fund | Equity Long/Short | 0.80% | 18 | 29.93% | 2 |
| Everest Absolute Return Fund I | Global Diversified | 0.54% | 19 | -21.83% | 17 |
| Everest Absolute Return Fund II | Global Diversified | 0.42% | 20 | -16.83% | 13 |

* Ranking compared to other fund of funds (22 in total)

Top performing funds over 12 months - Fund of Funds (of 38% reported so far)

| Fund Name | Strategy | Latest 12 Months | Ranking | May | Ranking* |
|--|--------------------|------------------|---------|--------|----------|
| Access SRA Fund - SRA 16 Portfolio | Multi Strategy | 48.82% | 1 | 5.68% | 3 |
| APAM Absolute Equity - Asia Fund | Equity Long/Short | 29.93% | 2 | 0.80% | 18 |
| Access SRA Fund - SRA 4 Portfolio | Multi Strategy | 7.45% | 3 | 0.93% | 16 |
| Alpha Strategic Fund - Class A | Global Diversified | 6.01% | 4 | 2.09% | 12 |
| Access SRA Fund - SRA 9 Portfolio | Multi Strategy | 2.55% | 5 | 2.75% | 9 |
| GMO Multi Strategy Trust | Multi Strategy | 1.11% | 6 | 0.20% | 21 |
| BT Total Return Fund | Global Diversified | 0.07% | 7 | -0.06% | 22 |
| HFA International Shares Fund (Wholesale) | Equity Long/Short | -0.53% | 8 | 1.00% | 15 |
| HFA International Shares Fund (Retail) | Equity Long/Short | -2.14% | 9 | 0.89% | 17 |
| Select Defensive Portfolios | Multi Strategy | -13.63% | 10 | 1.39% | 14 |
| Select Alternatives Portfolio | Multi Strategy | -14.06% | 11 | 2.28% | 11 |
| Van Eyk Blueprint Alternatives Plus | Multi Strategy | -15.83% | 12 | 4.08% | 7 |
| Everest Absolute Return Fund II | Global Diversified | -16.83% | 13 | 0.42% | 20 |
| Select Growth | Multi Strategy | -18.60% | 14 | 3.10% | 8 |
| FRM Global Equity Fund | Equity Long/Short | -20.30% | 15 | 2.37% | 10 |
| FRM Absolute Alpha Fund PCC Ltd Diversified | Global Diversified | -20.58% | 16 | 1.90% | 13 |
| Everest Absolute Return Fund I | Global Diversified | -21.83% | 17 | 0.54% | 19 |
| HFA Diversified Investments Fund (Wholesale) | Global Diversified | -24.08% | 18 | 4.63% | 4 |
| HFA Diversified Investments Fund (Retail) | Global Diversified | -24.33% | 19 | 4.61% | 5 |
| Pengana Global Small Companies Solution | Equity Long | -37.44% | 20 | 6.50% | 2 |

* Ranking compared to other fund of funds (22 in total)