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# July Absolute Return and Hedge Fund Review

## June 2009 – Final Results

June saw a continuation of positive results for the Australian absolute return and hedge fund sector, largely on the back of an ongoing rally in equities, particularly the ASX 200. Although AFM's index was positive, outperforming the S&P 500 and the MSCI World ex Australia index, it underperformed the ASX 200 which rallied 3.59% as confidence continued to flow back into investors.

On a 12 month basis to the end of June 2009 the AFM hedge fund index has significantly outperformed the major equity indices, although the 12 month return is still negative at -8.04%. This result includes fund of funds, which if excluded sees the 12 month negative return reduced to -4.31%. Barring any shocks or a return to the downside volatility experienced during the height of the GFC we could hopefully see a positive 12 month return by the end of the September quarter.

Whilst still on a comparative basis, two thirds of the funds monitored produced a positive return in June, and 30% have produced a positive return over the past 12 months. Against the ASX200, 17% outperformed the index in June, and 79% have outperformed over 12 months. Statistics as we know are dangerous, but it is undoubtedly true that hedge funds in Australia have protected investors' capital to a far greater degree than traditional long only funds, all of which have struggled to produce a positive return during the volatility of the past 12 to 18 months.

### Cumulative performance

On an accumulation basis over five years from January 2004, hedge fund investors remain significantly better off than those who invested in the ASX 200 as an index. Since that time the ASX has risen 21% after touching a return of just 2% to the end of February 2009. Equity-based funds in the AFM index have returned 60% over the same period, with a return of 44% over the five years to February. It is difficult to argue against the fact that as a whole the hedge fund sector provides significant and superior downside protection in times of extreme volatility.

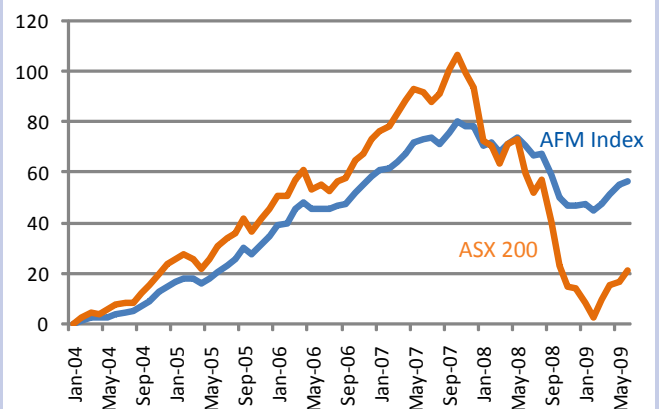
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AFM Hedge Fund Index	Last 12 months	June 2009
AFM Hedge Fund Index	-8.04%	1.02%
AFM Equity Based Fund Index	-7.81%	1.70%
AFM Non Equity Based Fund Index	-8.83%	-0.03%
AFM Fund of Fund Index	-19.30%	0.22%
AFM Single Fund Index	-4.31%	1.13%

Index/Sector	Last 12 months	June 2009
ASX200	-24.16%	3.59%
S&P500	-28.18%	0.02%
MSCI World ex Australia	-26.08%	-0.17%
% of AFM Index outperforming ASX	79%	17%
% of AFM index with Positive Returns	30%	66%

### Cumulative performance since January 2004



## Industry comment

### Superannuation Investors and Absolute Returns

Superannuation (Pension) funds have just returned their second consecutive financial year (Australia's financial year runs from July to June) of negative returns and there is reportedly significant disquiet amongst both their members (the beneficiaries) and many trustees regarding the high correlation between the market's and funds' performance.

Returns would have been worse had all assets been marked to market. Whilst we accept our bias, their returns would have been considerably better had super funds increased their asset allocation to local absolute return funds, and particularly those hedge funds among the 30% which had positive returns over the past 12 months.

Australia's superannuation environment is frequently cited as one of the most enviable in the world: Employers pay a minimum of 9% of every employee's salary or wages into their superannuation fund. These can be broadly divided into Industry Funds (not-for-profit) Commercial Funds operated by the major fund management companies, or Self Managed Super Funds (SMSF's). Employees can elect to make additional contributions to 'top up' their employer's contribution.

It is widely accepted that going forward, with an ageing population, the correct level of contribution should be closer to 15%. Irrespective of whether this occurs the superannuation pool in Australia is one of the largest in the world, and therefore management of the assets are hotly contested.

Traditionally local superannuation funds have invested in offshore "fund of funds" based on the recommendations and advice of the major asset consultants or gatekeepers such as JANA, Frontier, Mercer and Watson Wyatt. Due to the significant sums involved, and the relatively limited choice of local funds which had both the track record and the funds under management, this was understandable, although frustrating for many local managers.

However based on our analysis of the major mandates and allocations, the concentration of advice with a relatively small number of consultants resulted in a concentration in a relatively small number of offshore funds and fund of funds. The focus on fund of funds kept due diligence obligations to a minimum, at the same time as keeping fees at the opposite end of the scale.

What occurred in 2008 is history. It was the larger funds and particularly fund of funds which suffered from both

performance and liquidity issues. Frequently fund of funds investing in large underlying managers were forced to gate redemptions causing a flow on of liquidity issues. Added to the problems were the sharp currency fluctuations of 2008 which caused further losses or currency hedging costs.

Having been promised absolute returns in rising and falling markets investors naturally felt aggrieved and the industry was tarnished as a result.

Superannuation investors seem to have fallen into two camps - those who have redeemed from absolute return managers through disappointment with recent performance, and those who recognise that absolute return funds remain a viable investment strategy to increase diversification and reduce risk.

An increasing number of superannuation funds, and in particular self managed superannuation funds, are revising their selection process to research and allocate to local Australian managers. For the larger superannuation investors the issue remains that there are a limited number of managers with significant FUM to be investable. For the remainder local funds offer some significant benefits.

There are a significant number of local funds who have proven their ability to produce positive returns in a variety of market conditions, who offer the required transparency and acceptable levels of compliance and due diligence for institutional investment. In addition due diligence and compliance can be conducted onshore and with a minimum of time and travel issues and without the currency risk associated with investing in offshore managers.

**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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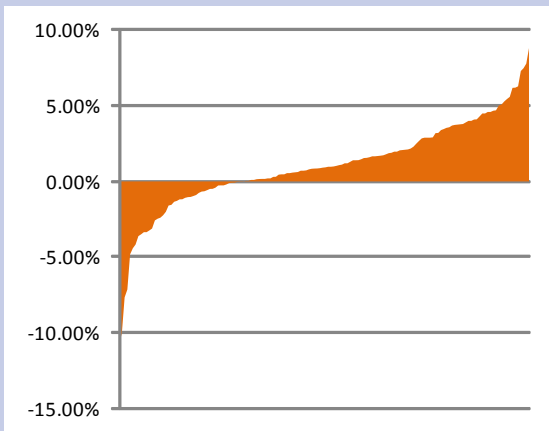
## Distribution of Returns

As noted in our June 2009 final results comment on page one, there has been a significant positive shift in the distribution of returns both year-to-date and in June, when 66% of managers achieved positive returns. Compared with the ASX200 only 17% of managers outperformed in June given the strong and continuing rally in the local market.

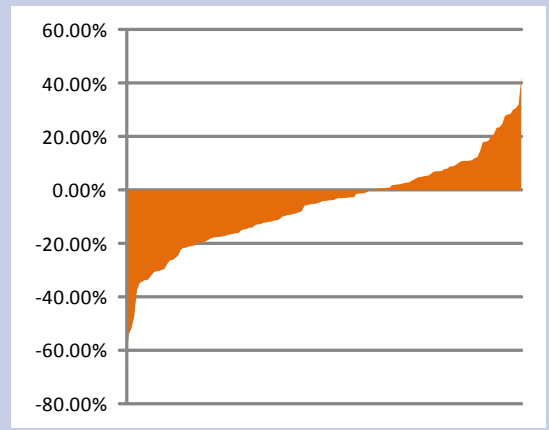
Over the past 12 months, 79% of managers outperformed the ASX200 (which fell over 24%) with 30% achieving positive returns.

More than anything else this probably reflects the wide range of strategies and underlying asset classes within the 220 odd funds which are included in the AFM tables. Analysing absolute return and hedge funds is not an exact science given this, where any fund that is not strictly index or long only equity based can be categorised variously as absolute return, or alternative.

### Distribution of June Returns (%)



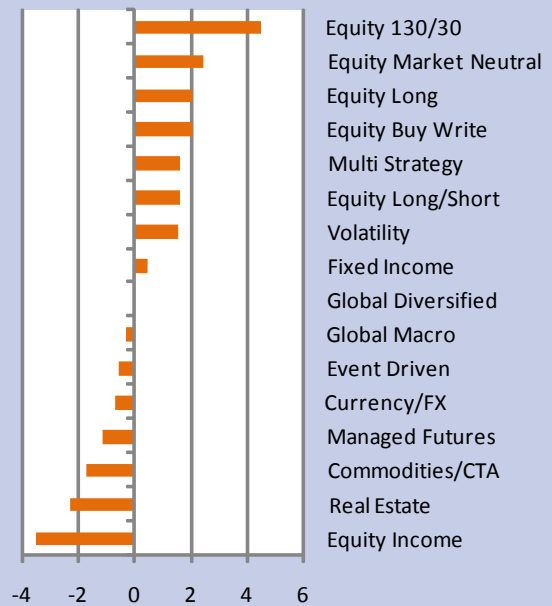
### Distribution of Returns for 12 months to June (%)



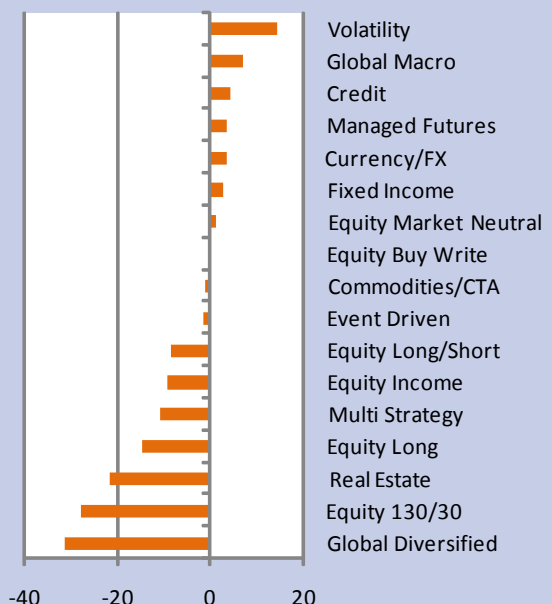
## Strategy Performance

From a strategy perspective we are starting to see the return of active equity managers significantly outshine nonequity strategies such as commodities, CTA's and currencies. In particular high conviction managers with concentrated portfolios have certainly enjoyed strong rally in equity markets over the past 3 to 4 months.

### Average Return by Strategy June 2009 (%)



### Average Return by Strategy for Last 12 Months (%)



## Top performing funds - a longer view

This month we have taken the opportunity to focus on the top performing funds managed by local managers and noticed a strong correlation between one year and longer term annualised returns. In creating a selection filter for these funds we only included onshore funds, locally managed and with a minimum three-year track record.

Looking at the equity funds, 80% of those in the top 10 on an annualised basis since inception were also among the top-10 performers over the past 12 months. Of the non-equity managers, the figure was slightly lower with 7/10 featuring in both tables. The track record of all the listed funds three years ranging up to 12 years, indicating that across-the-board quality management by and large produces consistent and quality returns.

On average the track record of the non-equity based funds was shorter than their equity-based counterparts however the general theme remained the same.

However, taking the performance for 2009 YTD produces

a significantly different outcome: Only two of the top 10 Equity based funds for the six months to June 09 made positive returns over the past 12 months. Furthermore, the 12 month performance of most of these funds was significantly below the average of their peers – and the ASX. This highlights the nature of the equity markets over the past four months, plus the sector and stock concentration and risk many of these managers take.

### Top performing equity based funds ranked by YTD returns

Fund Name	YTD 2009	Latest 12 Months
OC Concentrated Equity Fund	56.65%	-5.15%
Naos Small Companies Fund	50.65%	-41.54%
Jaguar Australian Leaders Long Short	41.81%	-33.59%
Macquarie Special Events Fund	25.21%	18.55%
OC Dynamic Equity Fund	23.23%	-32.29%
OC Premium Equity Fund	22.75%	-29.91%
SHC Ailsa Fund	22.21%	28.36%
Pengana Emerging Companies Fund	16.98%	-19.73%
MM&E Takeover Target Fund	16.20%	-8.94%
Katana Capital Ltd	16.05%	-19.19%

### Top performing equity based funds ranked by last 12 month returns (onshore, ASX investment universe, track record > 3 years)

Fund Name	12 months to June 09	12 Month Rank	Annualised Return since inception	Annualised Rank	Track Record (Years)
St Helens Capital Ailsa Fund	28.36%	1	13.11%	6	7
Macquarie Special Events Fund	18.55%	2	11.88%	8	5
Fortitude Capital Absolute Return Trust	11.96%	3	11.54%	10	4
Austral Equity Fund	8.06%	4	13.25%	5	11
Bennelong Securities Long Short Equity Fund	4.92%	5	23.09%	1	7
The Ascot Fund	2.30%	6	12.80%	7	4
K2 Australian Absolute Return Fund	2.03%	7	13.81%	4	9
Agora Absolute Return Fund	1.94%	8	7.76%	17	5
Herschel Absolute Return Fund	0.92%	9	15.49%	3	3
GMO Australian Market Neutral Trust	-0.56%	10	3.17%	29	6

### Top performing non equity based funds ranked by last 12 month returns (track record > 3 years)

Fund Name	Strategy	Annualised Return	Annualised Rank	12 months to June 09	12 Month Rank	Track Record (Years)
Zone Capital Trading Trust 1	Managed Futures	51.41%	1	20.10%	4	5
Blue Sky World Fund	Global Macro	29.19%	2	42.33%	1	3
BlackRock Asset Allocation Alpha Fund	Global Macro	20.94%	3	28.51%	3	3
Excalibur Absolute Return Fund	Currency/FX	19.96%	4	4.13%	8	3
Argus Dynamic Multi-strategy Program	Commodities/CTA	18.73%	5	30.17%	2	12
H3 Global Currency Program	Currency/FX	18.05%	6	-1.30%	11	4
Apeiron Global Macro Fund - Class A	Global Macro	17.39%	7	18.11%	5	3
Commodity Strategies Long Only	Commodities/CTA	12.18%	8	-4.79%	15	9
Macquarie Winton Global Opportunities	Managed Futures	11.47%	9	-3.82%	14	3
QIC Global Fixed Interest Alpha Fund	Fixed Income	11.08%	10	12.45%	6	4

## Top performers by Strategy

### Latest month...vs. last 12 months

Equity Long Funds	June	Rank	12 mth	Rank*
Platypus Australian Equity	5.30%	1	-21.06%	12
Prime Value Imputation	5.10%	2	-21.50%	13
OC Dynamic Equity	4.60%	3	-32.29%	17
Plato Australian Shares Core	4.50%	4	-26.27%	14
Katana Capital Ltd	4.30%	5	-19.19%	10

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

Equity Long Funds	12 mth	Rank	June	Rank*
Allard Investment Fund	11.01%	1	2.50%	10
Platinum Unhedged Fund	5.09%	2	0.30%	15
Premier Equity Return Fund	0.32%	3	-0.08%	16
Allard Growth Fund	-5.06%	4	3.40%	7
MM&E Takeover Target Fund	-8.94%	5	1.66%	13

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

Equity Long/Short Funds	June	Rank	12 mth	Rank*
GMO Australian Long/Short Equity	7.50%	1	-26.17%	45
OC Concentrated Equity	6.30%	2	-5.15%	25
PM CAPITAL Aust. Opportunities AUD	5.60%	3	-13.98%	31
SHC Arran	5.46%	4	27.80%	4
SHC Ailsa	4.71%	5	28.36%	3

\* Ranking compared to other Equity Long/Short funds (51 in total)

Equity Long/Short Funds	12 mth	Rank	June	Rank*
APAM Absolute Equity - Asia	32.04%	1	-2.58%	50
Platinum Japan - AUD	30.78%	2	2.90%	17
SHC Ailsa	28.36%	3	4.71%	5
SHC Arran	27.80%	4	5.46%	4
Prodigal Equity RV	23.61%	5	2.06%	20

\* Ranking compared to other Equity Long/Short funds (51 in total)

Equity Market Neutral Funds	June	Rank	12 mth	Rank*
Tasman Market Neutral	8.83%	1	-11.33%	8
Titanium ASX 200 All-Weather	7.80%	2	-	-
Amazon Market Neutral	7.31%	3	-11.88%	9
GMO Australian Market Neutral	3.59%	4	-0.56%	5
Plato Australian Shares	2.08%	5	-12.17%	10

\* Ranking compared to other Equity Market Neutral funds (11 in total)

Equity Market Neutral Funds	12 mth	Rank	June	Rank*
Fortitude Capital Absolute Return	11.96%	1	1.55%	7
TI Intercept Capital	10.79%	2	0.55%	9
Fortitude Capital Ext. (Caymans) - USD	7.20%	3	1.56%	6
Bennelong Securities L/S Equity	4.92%	4	-7.16%	11
GMO Australian Market Neutral	-0.56%	5	3.59%	4

\* Ranking compared to other Equity Market Neutral funds (11 in total)

Event Driven Funds	June	Rank	12 mth	Rank*
Macquarie Special Events	5.03%	1	18.55%	1
Austral Equity	0.73%	2	8.06%	2
MM&E Capital Investment No. 1	0.71%	3	-2.64%	4
MM&E Capital Investment No. 2	0.71%	4	-2.75%	5
Macquarie Eurasian Dividend Velocity	0.58%	5	4.02%	3

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

Event Driven Funds	12 mth	Rank	June	Rank*
Macquarie Special Events	18.55%	1	5.03%	1
Austral Equity	8.06%	2	0.73%	2
Macquarie Eurasian Dividend Velocity	4.02%	3	0.58%	5
MM&E Capital Investment No. 1	-2.64%	4	0.71%	3
MM&E Capital Investment No. 2	-2.75%	5	0.71%	4

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

Global Macro Funds	June	Rank	12 mth	Rank*
Blue Sky World Fund	4.68%	1	42.33%	1
The Black Marlin Fund	1.97%	2	-11.79%	8
GMO Global Tactical Trust	0.20%	3	0.72%	4
BlackRock Asset Alloc.Alpha (Class D)	-0.27%	4	28.51%	2
H3 Global Strategies Fund	-0.97%	5	-1.19%	5

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

Global Macro Funds	12 mth	Rank	June	Rank*
Blue Sky World Fund	42.33%	1	4.68%	1
BlackRock Asset Alloc.Alpha (Class D)	28.51%	2	-0.27%	4
Apeiron Global Macro - Class A	18.11%	3	-1.35%	6
GMO Global Tactical	0.72%	4	0.20%	3
H3 Global Strategies	-1.19%	5	-0.97%	5

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

## Top performers by Strategy

### Latest month...vs. last 12 months

Managed Futures Funds	June	Rank	12 mth	Rank*
Blue Fin Capital - Mgd Commodities	2.18%	1	2.83%	5
Attunga Enviro Opportunities	1.60%	2	2.61%	6
Attunga Power and Enviro (Offshore)	0.45%	3	11.28%	2
Zone Capital Trading Trust 1	0.20%	4	20.10%	1
Macquarie High Alpha Commodities	-0.03%	5	8.91%	3

\* Ranking compared to other Manager Futures funds (10 in total)

Managed Futures Funds	12 mth	Rank	June	Rank*
Zone Capital Trading Trust 1	20.10%	1	0.20%	4
Attunga Power and Enviro (Offshore)	11.28%	2	0.45%	3
Macquarie High Alpha Commodities	8.91%	3	-0.03%	5
Kaiser Trading 2x	3.55%	4	-2.47%	8
Blue Fin Capital - Mgd Commodities	2.83%	5	2.18%	1

\* Ranking compared to other Manager Futures funds (10 in total)

Commodities/CTA Funds	June	Rank	12 mth	Rank*
DV01 Mechelle Pty Ltd	1.20%	1	-8.66%	4
H3 Global Commodities	-0.26%	2	-17.18%	5
CSL Active Long Only	-1.55%	3	-4.79%	3
Argus Dynamic Multi-strategy	-3.62%	4	30.17%	1
CSL Active Long/Short	-4.18%	5	-2.61%	2

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

Commodities/CTA Funds	12 mth	Rank	June	Rank*
Argus Dynamic Multi-strategy	30.17%	1	-3.62%	4
CSL Active Long/Short	-2.61%	2	-4.18%	5
CSL Active Long Only	-4.79%	3	-1.55%	3
DV01 Mechelle Pty Ltd	-8.66%	4	1.20%	1
H3 Global Commodities	-17.18%	5	-0.26%	2

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

Currency/FX Funds	June	Rank	12 mth	Rank*
H3 Global Currency	1.41%	1	-1.30%	4
Excalibur Absolute Return	0.91%	2	5.46%	3
Absolute Trading 1	-0.11%	3	8.96%	2
Blue Fin Capital Managed FX Ac.	-0.76%	4	11.00%	1
Antipodean A\$ Currency (3X)	-4.83%	5	-2.88%	5

\* Ranking compared to other Currency/FX funds (5 in total)

Currency/FX Funds	12 mth	Rank	June	Rank*
Blue Fin Capital Mgd FX	11.00%	1	-0.76%	4
Absolute Trading 1	8.96%	2	-0.11%	3
Excalibur Absolute Return	5.46%	3	0.91%	2
H3 Global Currency	-1.30%	4	1.41%	1
Antipodean A\$ Currency (3X)	-2.88%	5	-4.83%	5

\* Ranking compared to other Currency/FX funds (5 in total)

Multi Strategy Funds	June	Rank	12 mth	Rank*
Prodigal Absolute Cayman	6.21%	1	7.14%	3
WAM Active Ltd	6.20%	2	9.40%	2
Wilson Investment Fund Ltd	3.76%	3	-2.97%	8
Merricks Capital Multi-Strategy	2.30%	4	0.16%	6
GMO Multi Strategy	1.87%	5	0.01%	7

\* Ranking compared to other Multi Strategy funds (13 in total)

Multi Strategy Funds	12 mth	Rank	June	Rank*
Attunga Agricultural Trading	24.81%	1	0.60%	7
WAM Active Ltd	9.40%	2	6.20%	2
Prodigal Absolute Cayman	7.14%	3	6.21%	1
PM CAPITAL Enhanced Yield	6.09%	4	1.40%	6
RTM Absolute Return	4.70%	5	0.17%	9

\* Ranking compared to other Multi Strategy funds (13 in total)

Global Diversified Funds	June	Rank	12 mth	Rank*
HFA Accelerator Plus Limited	3.20%	1	-66.41%	12
Everest Alternative Investment	1.97%	2	-37.48%	8
Everest Masters	1.66%	3	-34.82%	7
FRM Absolute Alpha Fund PCC Ltd	0.93%	4	-19.84%	4
Alpha Strategic Fund - Class A	0.03%	5	5.38%	1

\* Ranking compared to other Global Diversified funds (12 in total)

Global Diversified Funds	12 mth	Rank	June	Rank*
Alpha Strategic Fund - Class A	5.38%	1	0.03%	5
BT Total Return	0.64%	2	-0.02%	7
Everest Absolute Return Fund II	-16.12%	3	-0.09%	8
FRM Absolute Alpha PCC Ltd	-19.84%	4	0.93%	4
Everest Absolute Return Fund I	-20.98%	5	0.03%	6

\* Ranking compared to other Global Diversified funds (12 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](#).*

### Excalibur completes three year track record, assets under management increase to \$100mn

Foreign exchange specialist Excalibur Funds Management completed its three year track record in June. The Absolute Return Fund which uses a combined systematic and discretionary investment process has an annualised return of 19.7%.

The manager makes extensive use of options to protect downside risk. "It's been a tough environment in currencies over the past 12 months, we've really had to focus on managing the risks for investors," commented Excalibur principal Matthew Harper. The Fund has a three year risk adjusted return (Sharpe ratio) of 1.37.

Excalibur received strong inflows during the month with assets under management topping AUD\$100mn. A further AUD\$40mn of capacity has been locked in by a Hong Kong based Fund of Fund. The manager plans a hard close at AUD\$300mn.

### Fortitude Capital maintains positive momentum for 18th straight month: +1.55% in June

In what must be approaching a record both in Australia and overseas, Fortitude's local fund has continued its low volatility approach to risk and returns without a negative month since December 2007. In 2008 Fortitude returned investors 12.29% and has now returned an annualised 11.54% since inception in March 2005 with a standard deviation (volatility) of 2.97%.

**1 year return: +11.96%. Annual (Mar.2005): +11.54%**

Attention to risk has seen Fortitude produce 94% positive months and a maximum drawdown of just -0.50%.

### AR Capital Management's Ascot fund +2.92% in June, +5.41% 2009 YTD

The Ascot fund produced a positive return in 2008 of +5.24% and has now produced an annualised return of +12.80% since inception in August 2005. The fund, which has recently received a new mandate of \$10m from an

Australian family office to take its FUM to over \$60m, uses a combination of fundamental research, with technical overlays and long volatility options for timing and risk implementation, to invest in Australian equities.

**1 year return: +2.3%. Annual (Aug.2005): +12.8%**

ARCM is managed by Craig Connelly, with Tony Cooper and Peter Lucas from Melbourne and boasts an enviable risk record with 72% positive months and a maximum drawdown of -3.44%.

### Blue Fin Commodities up 1.66% in June

Blue Fin Capital's Managed Commodities Fund continues to outperform its benchmark after achieving a return of +1.66% in June, compared with CSFB's Managed Futures index which rose by only +0.85% in the month.

**1 year return: +2.97%. Annual (April 2007): +11.97%**

The fund uses a managed account structure and uses a momentum based trading strategy in the major North American commodities futures markets determined by a quantitative system.

### Apeiron's Global Macro Fund drops -1.35% in June, but remains +19.17% over the past 12 months

The manager noted caution regarding the outlook for the world's economies, and this view is reflected in their exposure to equities in general. The manager also noted concerns surrounding the sustainability of the stimulus-infused Chinese economy, which combined with a further deterioration in Global economic trade saw commodity markets weaken.

**1 year return: +19.17%. Annual (Feb.2006): +17.2%**

Apeiron's positioning at month's end was long USD/JPY, Wheat, Gold and Natural Gas, and short the S&P500 and SPI200.

Apeiron utilises strategies in futures and foreign exchange markets and generate forecasts within a discretionary based framework while managing risk with a quantitative capital allocation model. The manager defines investment themes within a fundamental economic framework, and within these themes looks to identify markets that are over or under valued.

These strategies have returned Apeiron's investors an annualised return of 17.20% since inception in February 2006, with a monthly win/loss ratio of 68%.

### Enviro Opportunities best for Attunga

Of the four funds run by Attunga Capital their Enviro Opportunities Fund was the top performer in June. The fund gained +1.6% for the month and has recorded a solid gain of +12.31% for the year so far.

**1 year return: +2.61%. Annual (Aug.2006): +39.4%**

The manager reports that electricity prices have been relatively low due to winter in NSW being comparatively mild and opportunities remain for generating better returns if there is greater market volatility through the middle of winter.

June returns for Attunga's other funds were: Power & Enviro Fund (offshore), +0.45%; Agriculture Trading Fund, +0.6%; and Agriculture Trading Fund (offshore), +0.47%.

### Bennelong has difficult June, down -7.16%, but remains +7.12% YTD

June proved to be a very difficult month for Bennelong's Australian long/short equity fund due mainly to their defensive positioning which is premised on a cautious macro view. In addition, the manager experienced a large draw down on two of their positions in the volatile materials sector. The manager noted concerns that some of the main current drivers of domestic demand (the wealth effect associated with firm residential property values and raw material exports to China as it builds stockpiles) are not sustainable and have been overplayed by the market.

**1 year return: +4.94%. Annual (Feb.2002): +20.30%**

Bennelong was established in February 2002 and has a compound annual return since inception of 20.30%, including a positive return of 11.95% in 2008. The manager has recently seen a return of capital inflows, following Fund of Fund liquidity based redemptions in 2008, and FUM currently stands at A\$60m.

### Argus Capital Management returns -3.62% in June, but remains +30.17% over 12 months

The manager noted that with the exception of Relative Value, most strategies struggled as markets generally lacked direction in June, with trading characterised by choppy price movements. The month also saw an uncharacteristically high level of correlation between the fund's longer-term directional trading with those trades generated via shorter term signals.

**1 year return: +30.17%. Annual (Oct.1996): +18.73%**

The manager also noted that key volatility indices were lower to flat, with risk barometers like the VIX falling to lows not seen since Lehman Brother's collapse last September. Those systems that were active returned losses as a result of the late month ranges in currency and equity markets.

Argus' trading style is based on the systematic application of a group of non-correlated systems to a broad range of more than 75 global futures markets. The fund's manager, Steven Biggs, has a track record dating back to 1996, and commenced trading client's funds in June 2005, returning a compound annual return of over 17% since that time. FUM is US\$23m.

### St Helens' Ailsa and Arran funds up +4.71% & +5.46% in June, to take 2009 YTD to +22.21% & 23.72%

St Helens' June performance produced positive returns from both longs (+ 5.10%) and shorts (+0.40%), with the best performing sectors being Materials (+ 2.70%), Financials (+ 1.20%) and Telcos (+ 1.00%).

**Ailsa: 1 year return: +28.36%. Annual (Jan.2002): +13.11%**

**Arran: 1 year return: +27.8%. Annual (Aug.2004): +9.69%**

Commenting on the performance, the manager said that in June and into July markets were dominated by the approaching US reporting season, where they believe that much of the bad news is already factored in, and thus should see markets moving cautiously higher.

### Prodigal continues 2009 run of positive months: +6.21% in June, +34.92% 2009 YTD

Prodigal's Asian (ex Japan) Equity fund, which utilises model trading, convertible and risk arbitrage, has maintained its positive track record in 2009 following a tough second half of 2008 when September and October losses produced a -20.35% return.

**1 year return: +7.14%. Annual (June 2007): +7.63%**

The fund was established in June 2007 and has annualised return since that time of 7.63%

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 June - Single Managers

Fund Name	Strategy	June	Ranking	Latest 12 Months	Ranking*
Tasman Market Neutral Fund	Equity Market Neutral	8.83%	1	-11.33%	87
Titanium ASX 200 All-Weather Fund	Equity Market Neutral	7.80%	2	-	N/A
GMO Australian Long/Short Equity Trust	Equity Long/Short	7.50%	3	-26.17%	116
Amazon Market Neutral Fund	Equity Market Neutral	7.31%	4	-11.88%	89
OC Concentrated Equity Fund	Equity Long/Short	6.30%	5	-5.15%	73
Prodigal Absolute Cayman Fund	Multi Strategy	6.21%	6	7.14%	30
WAM Active Ltd	Multi Strategy	6.20%	7	9.40%	24
PM CAPITAL Australian Opportunities Fund AUD	Equity Long/Short	5.60%	8	-13.98%	94
SHC Arran Fund	Equity Long/Short	5.46%	9	27.80%	6
Platypus Australian Equity Fund	Equity Long	5.30%	10	-21.06%	111
Prime Value Imputation Fund	Equity Long	5.10%	11	-21.50%	112
MQ Special Events Fund	Event Driven	5.03%	12	18.55%	12
SHC Ailsa Fund	Equity Long/Short	4.71%	13	28.36%	5
Blue Sky World Fund	Global Macro	4.68%	14	42.33%	1
Pengana Australian Equities Long Short Fund	Equity Long/Short	4.60%	15	-11.31%	86
OC Dynamic Equity Fund	Equity Long	4.60%	16	-32.29%	123
Plato Australian Shares Core Fund	Equity Long	4.50%	17	-26.27%	117
Plato Australian Shares 130/30 Fund	Equity 130/30	4.50%	18	-27.70%	118
Katana Capital Ltd	Equity Long	4.30%	19	-19.19%	107
Elstree Enhanced Income Fund	Convertible Arbitrage	4.11%	20	-22.20%	114
WAM Capital Ltd	Equity Long/Short	4.10%	21	-3.04%	64
Aurora Property Buy-Write Income Trust	Equity Buy Write	4.01%	22	6.92%	32
Aviva Investors Sustainable Investment Fund	Equity Long/Short	4.01%	23	-17.33%	103
Macquarie Australian Long Short Equitised Fund	Equity Long/Short	3.91%	24	-29.54%	119
OC Premium Equity Fund	Equity Long	3.80%	25	-29.91%	120
Bellwether Partners Offshore Strategies Fund	Equity Long/Short	3.78%	26	-21.65%	113
Wilson Investment Fund Ltd	Multi Strategy	3.76%	27	-2.97%	62
Macquarie Alpha Opportunities Fund	Equity Long/Short	3.74%	28	-25.39%	115
Pengana Australian Equities Core Fund	Equity Long/Short	3.70%	29	-	N/A
GMO Australian Market Neutral Trust	Equity Market Neutral	3.59%	30	-0.56%	53
MQ Asia Long Short Fund	Equity Long/Short	3.55%	31	-3.55%	65
Blue Sky Japan USD	Equity Long/Short	3.47%	32	14.77%	15
Allard Growth Fund	Equity Long	3.40%	33	-5.06%	72
Aviva Investors High Growth Shares Fund	Equity Long/Short	3.21%	34	-14.73%	97
The Ascot Fund	Equity Long/Short	2.92%	35	2.30%	43
Platinum Japan Fund - AUD	Equity Long/Short	2.90%	36	30.78%	2
Pengana Emerging Companies Fund	Equity Long	2.90%	37	-19.73%	109
K2 Australian Absolute Return Fund	Equity Long/Short	2.85%	38	2.03%	45
Australian Enhanced Income Fund	Convertible Arbitrage	2.68%	39	-20.69%	110
Allard Investment Fund	Equity Long	2.50%	40	11.01%	19
Merricks Capital Multi-Strategy Fund	Multi Strategy	2.30%	41	0.16%	52
Blue Fin Capital - Managed Commodities Account	Managed Futures	2.18%	42	2.83%	41
Optimal Japan Absolute Long Fund	Equity Long	2.12%	43	-15.00%	98
K2 Peak Asian Absolute Return Fund	Equity Long/Short	2.10%	44	-4.40%	70

\* Ranking compared to other single funds (128 in total)

## Top performing funds over 12 months - Single Managers

Fund Name	Strategy	Latest 12 Months	Ranking	June	Ranking*
Blue Sky World Fund	Global Macro	42.33%	1	4.68%	14
Platinum Japan Fund - AUD	Equity Long/Short	30.78%	2	2.90%	36
Argus Dynamic Multi-strategy Program	Commodities/CTA	30.17%	3	-3.62%	126
BlackRock Asset Allocation Alpha Fund (Class D)	Global Macro	28.51%	4	-0.27%	101
SHC Ailsa Fund	Equity Long/Short	28.36%	5	4.71%	13
SHC Arran Fund	Equity Long/Short	27.80%	6	5.46%	9
Attunga Agricultural Trading Fund	Multi Strategy	24.81%	7	0.60%	79
Prodigal Equity RV Fund	Equity Long/Short	23.61%	8	2.06%	46
Platinum International Technology Fund	Equity Long/Short	23.41%	9	0.80%	74
VT International Global Macro Freestyle REIT Fund	Real Estate	20.97%	10	-2.24%	118
Zone Capital Trading Trust 1	Managed Futures	20.10%	11	0.20%	88
MQ Special Events Fund	Event Driven	18.55%	12	5.03%	12
Platinum International Fund	Equity Long/Short	18.11%	13	0.10%	93
Apeiron Global Macro Fund - Class A	Global Macro	18.11%	14	-1.35%	114
Blue Sky Japan USD	Equity Long/Short	14.77%	15	3.47%	32
QIC Global Fixed Interest Alpha Fund	Fixed Income	12.45%	16	-0.58%	105
Fortitude Capital Absolute Return Trust	Equity Market Neutral	11.96%	17	1.55%	56
Attunga Power and Enviro (Offshore) Fund	Managed Futures	11.28%	18	0.45%	85
Allard Investment Fund	Equity Long	11.01%	19	2.50%	40
Blue Fin Capital Managed FX Account	Currency/FX	11.00%	20	-0.76%	107
Platinum International Brands Fund	Equity Long/Short	10.97%	21	1.90%	48
TI Intercept Capital Fund	Equity Market Neutral	10.79%	22	0.55%	81
Platinum Asia Fund	Equity Long/Short	10.12%	23	1.30%	61
WAM Active Ltd	Multi Strategy	9.40%	24	6.20%	7
Absolute Trading 1 Fund	Currency/FX	8.96%	25	-0.11%	97
Macquarie High Alpha Commodities Fund	Managed Futures	8.91%	26	-0.03%	95
Austral Equity Fund	Event Driven	8.06%	27	0.73%	75
Kapstream Absolute Return Income Fund	Fixed Income	7.96%	28	0.97%	68
Fortitude Capital Extension (Caymans) Fund - USD	Equity Market Neutral	7.20%	29	1.56%	55
Prodigal Absolute Cayman Fund	Multi Strategy	7.14%	30	6.21%	6
TI Technology Investment Fund	Equity Long/Short	7.06%	31	0.99%	67
Aurora Property Buy-Write Income Trust	Equity Buy Write	6.92%	32	4.01%	22
PM CAPITAL Enhanced Yield Fund	Multi Strategy	6.09%	33	1.40%	59
Excalibur Absolute Return Fund	Currency/FX	5.46%	34	0.91%	70
Platinum Unhedged Fund	Equity Long	5.09%	35	0.30%	87
Bennelong Securities Long Short Equity Fund	Equity Market Neutral	4.92%	36	-7.16%	129
RTM Absolute Return Fund	Multi Strategy	4.70%	37	0.17%	90
Macquarie Eurasian Dividend Velocity Segregated Portfolio	Event Driven	4.02%	38	0.58%	80
Kaiser Trading Fund 2x	Managed Futures	3.55%	39	-2.47%	120
Platinum International Health Care Fund	Equity Long/Short	2.91%	40	1.20%	62
Blue Fin Capital - Managed Commodities Account	Managed Futures	2.83%	41	2.18%	42
Attunga Enviro Opportunities Fund	Managed Futures	2.61%	42	1.60%	54
The Ascot Fund	Equity Long/Short	2.30%	43	2.92%	35
Kaiser Trading Fund	Managed Futures	2.13%	44	-1.18%	111

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