



Print Version: For access to the details of over 200 absolute return and hedge funds visit www.fundmonitors.com for offshore investors or www.fundmonitors.com.au for local investors. Access to each site is free following registration. Comments and feedback to: info@fundmonitors.com

March Absolute Return and Hedge Fund Review

February proves a challenge

Australian Hedge Funds produced positive returns in February, but for many managers it was a tough month.

Equity markets started the month much as January left off, with concerns over new legislation in the US, Greece's sovereign debt issues possibly spreading elsewhere in Europe, and potential credit tightening in China all combining to prompt hedge fund managers to take risk off the table.

However the ASX200 ended the month up 1.49%, and the S&P500 rose 2.85% to show the resilience of the markets and how investors have seemingly forgotten the risk lessons of 2008.

Added to the market's reversal were reporting season issues, with some previously well rated companies not meeting expectations and being hammered as a result.

As a result, many of the best – or most risk averse managers – produced flat or negative returns for February. Anecdotally those managers have bounced back in March in tune with the market's rise of around 6% which takes it back to where it started at the beginning of the year.

Monthly returns ranged from +3.54% to -6.16% and provided a wide discrepancy between managers, and some equally strange strategy averages: Equity Long/Short and Equity Market Neutral were both at the lower end of the scale, while Equity Buy Write, 130/30, Equity Long and Equity Income took out four of the top five strategy positions.

Taken over 12 months, equity based strategies (headed by Long Only and 130/30 Funds) have not surprisingly enjoyed the rebound in equity markets, but this disguises the fact that for the past six months or so the ASX has traded in a 4-500 point range between 4,500 and 4,900. Most of the rise of almost 40% in the past 12 months can be attributed to the six months that followed the lows in early March.

Other headwinds

Leaving performance aside, one of the consistent concerns we hear at present is the confusion over the potential tax

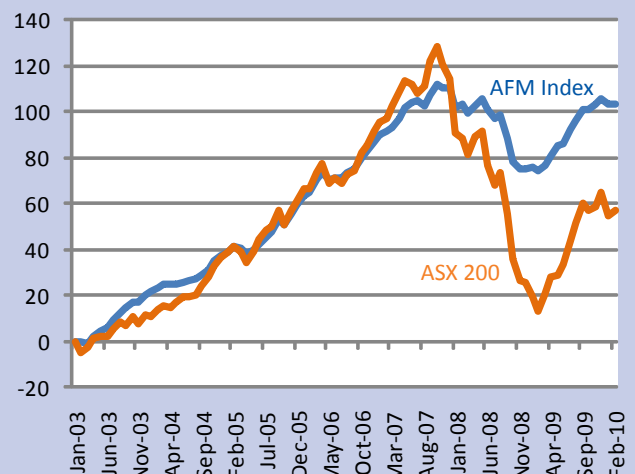
Quick links...

- ▶ Model Portfolio performance
- ▶ Strategy performance
- ▶ Top performing single funds
- ▶ Top performing Fund of Funds

AFM Hedge Fund Index	Last 12 months	February 2010
AFM Hedge Fund Index	16.74%	0.11%
AFM Equity Based Fund Index	24.86%	0.07%
AFM Non Equity Based Fund Index	7.16%	0.16%
AFM Fund of Fund Index	5.49%	-0.03%
AFM Single Fund Index	20.35%	0.13%

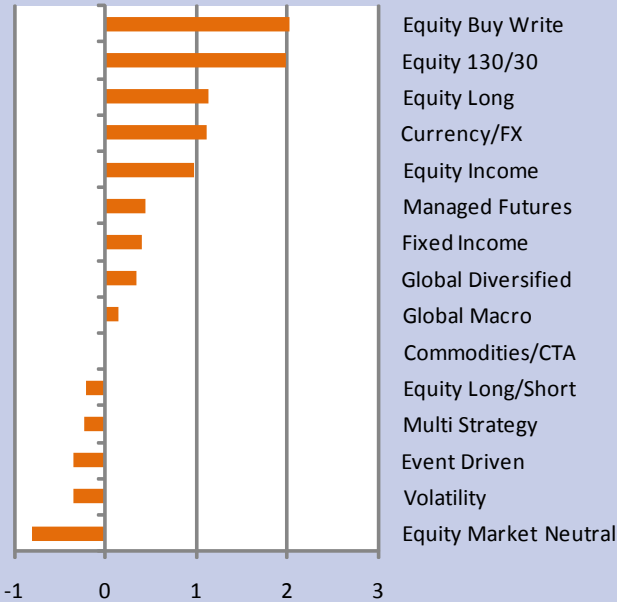
Index/Sector	Last 12 months	February 2010
ASX200	38.65%	1.49%
S&P500	50.25%	2.85%
MSCI World ex Australia	46.91%	1.96%
% of AFM Index outperforming ASX	13%	18%
% of AFM index with Positive Returns	82%	56%

Cumulative performance since February 2003





Average Return by Strategy February 2010 (%)



Average Return by Strategy for Last 12 Months (%)



issues facing global investors in offshore funds managed from Australia. In 2008 offshore investors were concerned by ASIC's approach to short selling restrictions which they deemed went beyond those (both in extent and duration) in the US and UK.

If Australia is to be serious about developing a global financial services industry there has to be a resolution of the tax issues for offshore investors. Australian fund managers marketing to offshore investors have enough

barriers (location, time zones, travel, etc.) without adding potential tax disadvantages.

Added to the tax issue facing Australian managers is the proposed EU legislation to prevent non EU fund managers marketing to EU investors. Whilst this argument has some way to run between the EU and UK politicians, it will certainly make raising capital more difficult than it already is for local managers with offshore funds.

Opalesque Round Table

During March AFM was delighted to be involved as both the sponsor and a participant in Opalesque's Australian Round Table, organised by Matthias Knab on his recent visit to Sydney.

The Round Table was the latest in the global series and featured a range of participants including Bruce Tomlinson from local institutional investor **Sunsuper**; Nelson Lam from fund incubator **Ascalon**; Larry Simon from compliance and administration group **Lazorne**; 2009 Hedge Fund Manager of the Year, John Corr from **Fortitude Capital**; Adrian Redlich from **Merricks**, and Dominic McCormick from **Select Asset Management**.

Many thanks to all participants and especially to Matthias Knab from **Opalesque** for making it all "happen". The full transcript of the event can be [downloaded here](#).

Opalesque provide a daily series of industry newsletters covering all aspects of the alternative asset space and provide an invaluable method of keeping across the industry. **Quote the promotion code 'AFM' when subscribing to receive eight weeks free.**

Model Portfolio Performance

AFM's series of Model Portfolios were not immune to the difficult month experienced by many managers in February, although they continue to track well ahead of the ASX both from a risk and return perspective since October 2006.

Details are attached overleaf, but in summary, AFM's Model Portfolios have annualised returns of over 15% with standard deviation of less than 6% for both the equity and non equity versions. The Combined Portfolio (D10) meanwhile has an annualised return of 15.26% with a standard deviation of just 4.36%. For further details please [contact us](#).



AFM Model Equity Portfolio (E5)

AFM's E5 Portfolio of 5 Australian domiciled equity managers struggled in February as January's sell off faltered and then reversed, ignoring the risk factors of a potential credit tightening in China and an extension of Greece's debt issues to other EU countries. Herschel's long short fund was the only positive contributor at +0.66%.

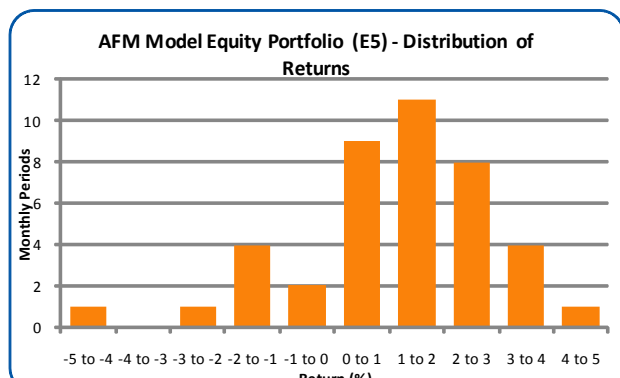
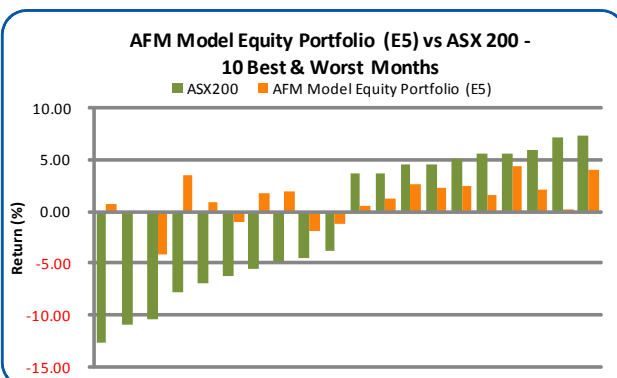
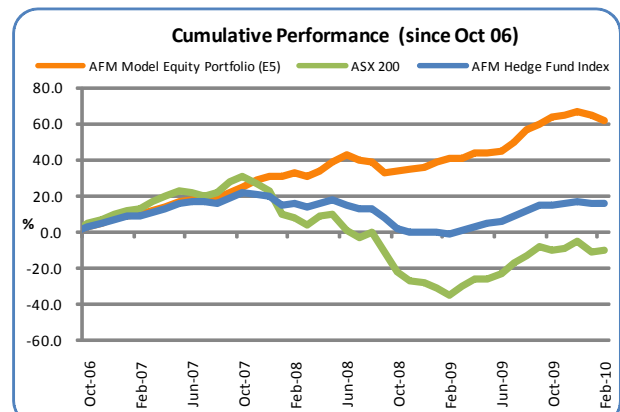
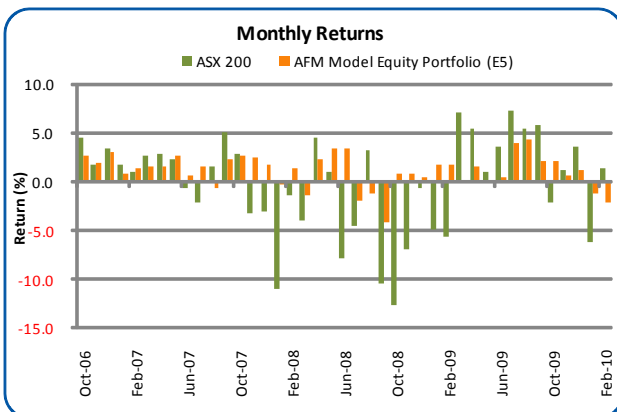
The Portfolio was down -2.04% for the month to take the YTD result to -3.10%, whilst the annualised performance since inception in October 2006 remains a very respectable +15.11% with a standard deviation of 5.98% and a Sharpe Ratio of 1.5. AFM's E5 Model Portfolio includes managers such as Bennelong, Fortitude and Herschel.

For further details on AFM's Model Portfolios please [contact us](#).

Key Performance Statistics	AFM Portfolio (E5)	ASX 200
Latest Result	-2.04%	1.49%
Annualised Return (since Oct 06)	15.11%	-3.04%
Last 3 Months	-1.88%	-1.35%
Last 6 Months	3.22%	3.53%
Last 12 Months	14.87%	38.66%
Last 24 Months	22.21%	-16.76%
% Positive Months	80.49%	58.54%
Best Month	4.39%	7.31%
Worst Month	-4.12%	-12.66%
Largest Drawdown	-7.13%	-50.48%
Average Positive Return	1.86%	3.39%
Average Negative Return	-1.57%	-5.09%
Annualised Standard Deviation	5.98%	17.22%
Downside Deviation	3.62%	14.73%
Sharpe Ratio (since Oct 06)	1.5	-0.39
Sortino Ratio	3.34	0.81

Performance - Net of Fees (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	-1.08	-2.04											-3.10
2009	1.87	1.80	0.17	1.58	0.19	0.58	3.97	4.39	2.16	2.20	0.75	1.26	22.93
2008	-0.20	1.46	-1.27	2.32	3.39	3.44	-1.98	-1.18	-4.12	0.78	0.87	0.58	3.88
2007	0.85	1.36	1.63	1.65	2.77	0.73	1.66	-0.70	2.43	2.75	2.49	1.86	21.25
2006										2.70	1.90	3.00	7.79





AFM Model Alternative Portfolio (A5)

AFM's A5 Portfolio of 5 Australian non equity managers managed a small gain of +0.09% in February, to take the YTD loss to -2.45%. Positive contributions came from Commodity Strategies' Long Only fund (+1.36%) and QIC's Global Fixed Interest Alpha fund.

These two funds have provided the best returns within the portfolio over the past 12 months, with Commodity Strategies +21.49% the standout performance. Annualised performance since inception is 15.40% with a standard deviation of 5.81% and a Sharpe Ratio of 1.64.

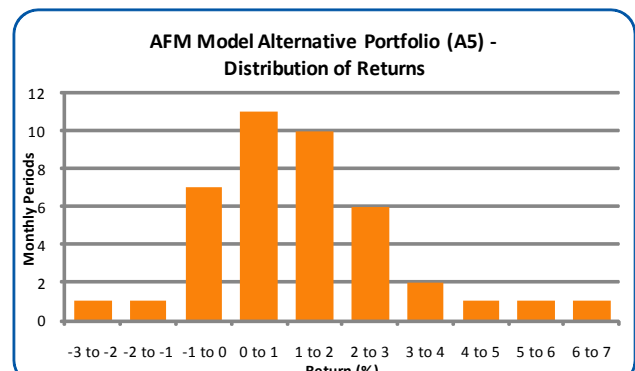
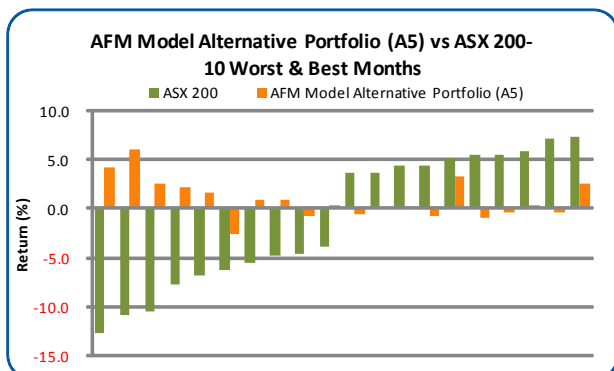
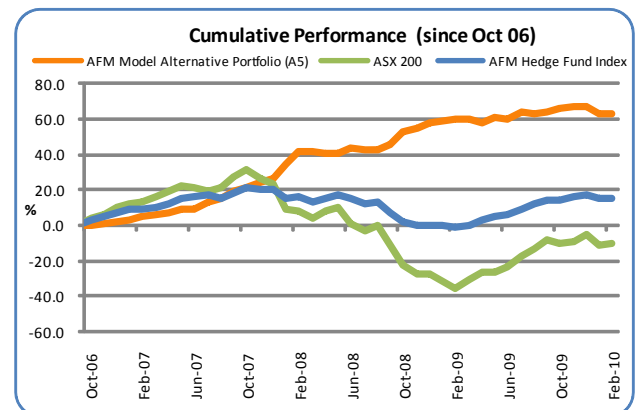
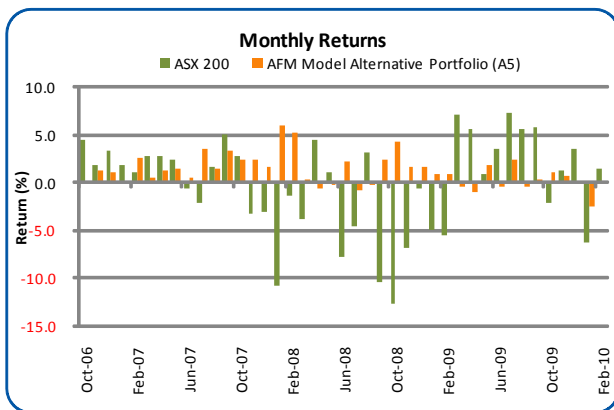
Selection in the portfolio is based on a quantitative analysis of 25 alternative, (non equity based) funds with at least three years' track record.

For further details on AFM's Model Portfolios please **contact us**.

Key Performance Statistics	AFM Portfolio (A5)	ASX 200
Latest Result	0.09%	1.49%
Annualised Return (since Oct 06)	15.40%	-3.04%
Last 3 Months	-2.24%	-1.35%
Last 6 Months	-0.10%	3.53%
Last 12 Months	1.82%	38.66%
Last 24 Months	15.24%	-16.76%
% Positive Months	78.05%	58.54%
Best Month	6.09%	7.31%
Worst Month	-2.54%	-12.66%
Largest Drawdown	-2.54%	-50.48%
Average Positive Return	1.76%	3.39%
Average Negative Return	-0.74%	-5.09%
Annualised Standard Deviation	5.81%	17.22%
Downside Deviation	2.18%	14.73%
Sharpe Ratio (since Oct 06)	1.64	-0.39
Sortino Ratio	5.55	0.81

Performance - Net of Fees (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	-2.54	0.09											-2.45
2009	0.86	0.93	-0.38	-1.01	1.77	-0.50	2.48	-0.40	0.26	1.18	0.73	0.22	6.26
2008	6.09	5.16	0.26	-0.68	-0.21	2.27	-0.77	-0.17	2.51	4.27	1.68	1.62	24.04
2007	0.20	2.54	0.55	1.32	1.53	0.62	3.60	1.49	3.33	2.33	2.46	1.68	23.86
2006										0.01	1.24	1.19	2.46



AFM Model Diversified Portfolio (D10)

The D10 Model Portfolio was dragged lower by the equity based component to return -0.98% for the month, taking YTD results to -2.77%. This is only the fifth monthly loss since inception and takes the annualised return to +15.26% with a standard deviation of 4.36, and a Sharpe ratio of 2.11.

The combined performance figures are based on an equal theoretical investment into each of the funds as at 1st October 2006, with no subsequent re-weighting apart from any rise or fall in NAV as a result of performance.

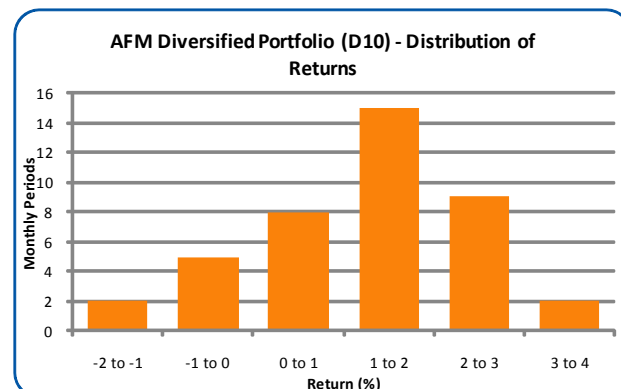
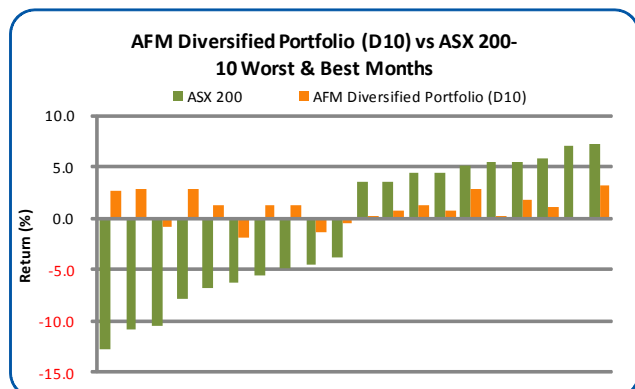
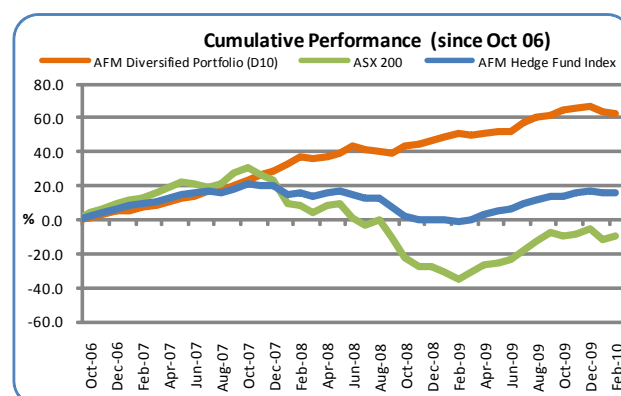
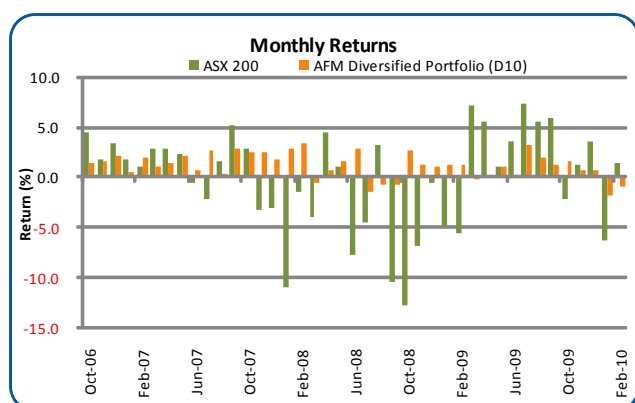
The D10 Portfolio is a combination of the ten funds making up the A5 and E5 Portfolios, consisting of approximately 50% equity and 50% alternative assets.

For further details on AFM's Model Portfolios please [contact us](#).

Key Performance Statistics	AFM Portfolio (D10)	ASX 200
Latest Result	-0.98%	1.49%
Annualised Return (since Oct 06)	15.26%	-3.04%
Last 3 Months	-2.05%	-1.35%
Last 6 Months	1.52%	3.53%
Last 12 Months	7.92%	38.66%
Last 24 Months	18.61%	-16.76%
% Positive Months	82.93%	58.54%
Best Month	3.34%	7.31%
Worst Month	-1.81%	-12.66%
Largest Drawdown	-2.78%	-50.48%
Average Positive Return	1.63%	3.39%
Average Negative Return	-0.89%	-5.09%
Annualised Standard Deviation	4.36%	17.22%
Downside Deviation	2.08%	14.73%
Sharpe Ratio (since Oct 06)	2.11	-0.39
Sortino Ratio	5.82	0.81

Performance - Net of Fees (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	-1.81	-0.98											-2.77
2009	1.33	1.33	-0.13	0.20	1.02	0.01	3.19	1.89	1.19	1.68	0.74	0.74	13.97
2008	2.90	3.34	-0.48	0.76	1.55	2.85	-1.37	-0.67	-0.76	2.61	1.30	1.13	13.82
2007	0.53	1.94	1.10	1.49	2.17	0.68	2.60	0.37	2.87	2.54	2.47	1.77	22.53
2006										1.35	1.57	2.11	5.11



Top performers by Strategy

Latest month...vs. last 12 months

Equity Long Funds	Feb	Rank	12 Mth	Rank *
Platypus Australian Equity	2.90%	1	53.79%	6
Baker Steel Gold	2.70%	2	48.59%	7
Plato Australian Shares Core	2.05%	3	41.39%	10
OC Premium Equity	1.80%	4	78.08%	2
Pengana Emerging Companies	1.80%	5	69.58%	4

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

Equity Long Funds	12 Mth	Rank	Feb	Rank *
OC Dynamic Equity	87.78%	1	1.50%	7
OC Premium Equity	78.08%	2	1.80%	4
Katana Capital Ltd	71.79%	3	0.60%	12
Pengana Emerging Companies	69.58%	4	1.80%	5
Allard Growth	65.17%	5	-0.30%	16

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

Equity Long/Short Funds	Feb	Rank	12 Mth	Rank *
OC Concentrated Equity	2.40%	1	152.53%	2
Prodigal Equity RV	1.90%	2	12.55%	42
Jaguar Australian Leader	1.83%	3	61.49%	4
WaveStone Capital Absolute Return	1.80%	4	41.45%	11
Bellwether Partners Offshore	1.74%	5	32.03%	21

* Ranking compared with other Equity Long/Short funds (57 in total)

Equity Long/Short Funds	12 Mth	Rank	Feb	Rank *
Naos Small Companies	170.82%	1	-5.41%	57
OC Concentrated Equity	152.53%	2	2.40%	1
PM CAPITAL Australian Opportunities	78.21%	3	0.80%	16
Jaguar Australian Leaders	61.49%	4	1.83%	3
PM CAPITAL Absolute Performance	58.03%	5	1.40%	9

* Ranking compared with other Equity Long/Short funds (57 in total)

Equity Market Neutral Funds	Feb	Rank	12 Mth	Rank *
SGH Long Short	2.25%	1	-26.93%	10
Plato Australian Shares	0.66%	2	-3.64%	8
Titanium ASX 200 All-Weather	0.10%	3	-1.56%	7
Fortitude Capital Absolute Return	-0.13%	4	6.00%	4
GMO Australian Market Neutral	-0.43%	5	-10.92%	9

* Ranking compared with other Equity Market Neutral funds (10 in total)

Equity Market Neutral Funds	12 Mth	Rank	Feb	Rank *
Regal Tasman	43.22%	1	-0.81%	7
Regal Amazon	30.32%	2	-2.04%	9
Macquarie Australian	7.08%	3	-0.50%	6
Fortitude Capital Absolute Return	6.00%	4	-0.13%	4
Bennelong Securities L/S Equity	2.02%	5	-6.16%	10

* Ranking compared with other Equity Market Neutral funds (10 in total)

Event Driven Funds	Feb	Rank	12 Mth	Rank *
Austral Equity	1.28%	1	15.61%	3
Macquarie Special Events	0.24%	2	34.59%	2
Sandon Capital Activist	-0.30%	3	-	N/A
Ashton-Paulson Event-Driven	-0.31%	4	-	N/A
MM&E Takeover Target	-0.51%	5	40.78%	1

* Ranking compared with other Event Driven funds (8 in total)

Event Driven Funds	12 Mth	Rank	Feb	Rank *
MM&E Takeover Target	40.78%	1	-0.51%	5
Macquarie Special Events	34.59%	2	0.24%	2
Austral Equity	15.61%	3	1.28%	1
Pengana Asia Special Events	11.22%	4	-1.40%	8
MM&E Capital Investment Trust No. 2	5.91%	5	-0.84%	6

* Ranking compared with other Event Driven funds (8 in total)

Global Macro Funds	Feb	Rank	12 Mth	Rank *
GMO Systematic Global Macro	3.19%	1	10.83%	6
Pegasus Absolute Return	2.99%	2	15.34%	5
Headland Global Diversified	1.84%	3	1.90%	8
Blue Sky World	0.99%	4	19.02%	4
RTM Absolute Return	0.70%	5	7.31%	7

* Ranking compared with other Global Macro funds (13 in total)

Global Macro Funds	12 Mth	Rank	Feb	Rank *
90 West Global Basic Material	46.36%	1	0.18%	6
Absolute Macro Diversified (USD)	28.16%	2	-2.39%	12
Absolute Macro Diversified (GBP)	24.09%	3	-2.15%	11
Blue Sky World	19.02%	4	0.99%	4
Pegasus Absolute Return	15.34%	5	2.99%	2

* Ranking compared with other Global Macro funds (13 in total)

To view the **latest performance** of all absolute return funds in our database grouped by strategy, click on the following links to access our live Index reporting > [local investors](#) or [offshore investors](#).

Top performers by Strategy

Latest month...vs. last 12 months

Commodities/CTA Funds	Feb	Rank	12 Mth	Rank *
FRM Sigma Fund Limited - Class A	3.44%	1	-12.26%	9
CORALS Commodities	2.89%	2	-2.75%	6
CSL Active Long Only	1.36%	3	21.49%	2
CSL Active Long/Short	0.61%	4	10.52%	3
Macquarie High Alpha Commodities	0.48%	5	2.64%	5

* Ranking compared with other Commodities/CTA funds (9 in total)

Commodities/CTA Funds	12 Mth	Rank	Feb	Rank *
DV01 Mechelle Ltd	39.07%	1	-6.00%	9
CSL Active Long Only	21.49%	2	1.36%	3
CSL Active Long/Short	10.52%	3	0.61%	4
H3 Global Commodities	9.87%	4	-0.32%	6
Macquarie High Alpha Commodities	2.64%	5	0.48%	5

* Ranking compared with other Commodities/CTA funds (9 in total)

Currency/FX Funds	Feb	Rank	12 Mth	Rank *
Morgan Stanley FX Alpha Plus (Class A)	2.34%	1	31.67%	1
Blue Fin Capital Managed FX Acc.	2.33%	2	4.06%	3
Morgan Stanley FX Alpha	0.75%	3	9.16%	2
H3 Global Currency	0.66%	4	-0.39%	4
Excalibur Absolute Return	-0.50%	5	-1.28%	5

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

Currency/FX Funds	12 Mth	Rank	Feb	Rank *
Morgan Stanley FX Alpha Plus (Class A)	31.67%	1	2.34%	1
Morgan Stanley FX Alpha	9.16%	2	0.75%	3
Blue Fin Capital Managed FX Acc.	4.06%	3	2.33%	2
H3 Global Currency	-0.39%	4	0.66%	4
Excalibur Absolute Return	-1.28%	5	-0.50%	5

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

Managed Futures Funds	Feb	Rank	12 Mth	Rank *
Kaiser Trading Fund 2x	3.26%	1	-10.84%	6
Macquarie Winton Global Alpha	2.31%	2	-5.15%	4
Aspect Futures	2.00%	3	-12.01%	7
Kaiser Trading	1.61%	4	-6.21%	5
Zone Capital Trading Trust 1	-0.10%	5	-3.10%	3

* Ranking compared with other Managed Futures funds (8 in total)

Managed Futures Funds	12 Mth	Rank	Feb	Rank *
Attunga Power and Enviro (Offshore)	11.68%	1	-1.63%	6
Attunga Enviro Opportunities	3.94%	2	-2.23%	7
Zone Capital Trading Trust 1	-3.10%	3	-0.10%	5
Macquarie Winton Global Alpha	-5.15%	4	2.31%	2
Kaiser Trading	-6.21%	5	1.61%	4

* Ranking compared with other Managed Futures funds (8 in total)

Multi Strategy Funds	Feb	Rank	12 Mth	Rank *
Prodigal Absolute Cayman	2.57%	1	54.84%	2
Attunga Agricultural Trading	0.48%	2	6.75%	13
Select Alternatives Portfolio	0.37%	3	11.40%	8
Ashton Performance GBP	0.35%	4	6.65%	14
Attunga Agricultural Trading (Offshore)	0.33%	5	-	N/A

* Ranking compared with other Multi Strategy funds (19 in total)

Multi Strategy Funds	12 Mth	Rank	Feb	Rank *
WAM Active Ltd	57.35%	1	0.00%	9
Prodigal Absolute Cayman	54.84%	2	2.57%	1
Select Listed Investments	49.26%	3	-4.47%	19
Wilson Investment Fund Ltd	40.07%	4	-0.31%	14
Select Growth	27.34%	5	-1.08%	17

* Ranking compared with other Multi Strategy funds (19 in total)

Global Diversified Funds	Feb	Rank	12 Mth	Rank *
Everest Masters	0.88%	1	9.40%	3
Everest Alternative Investment	0.82%	2	11.37%	2
FRM Absolute Alpha Diversified	0.71%	3	12.49%	1
Everest Absolute Return I	0.41%	4	2.15%	6
Everest Absolute Return III	0.38%	5	2.09%	7

* Ranking compared with other Global Diversified funds (8 in total)

Global Diversified Funds	12 Mth	Rank	Feb	Rank *
FRM Absolute Alpha Diversified	12.49%	1	0.71%	3
Everest Alternative Investment	11.37%	2	0.82%	2
Everest Masters	9.40%	3	0.88%	1
BT Total Return	6.65%	4	-0.45%	8
Man RMF Dynamic (AUD)	3.46%	5	-0.08%	7

* Ranking compared with other Global Diversified funds (8 in total)

To view the **latest performance** of all absolute return funds in our database grouped by strategy, click on the following links to access our live Index reporting > [local investors](#) or [offshore investors](#).



Top performing funds in February - Single Managers

Fund Name	Strategy	February	Rank	12 Months	Rank *	24 Months	Rank *
Aurora Sandringham Australian Equity Income Trust	Equity Buy Write	3.54%	1	20.42%	61	-2.71%	92
Kaiser Trading Fund 2x	Managed Futures	3.26%	2	-10.84%	131	0.92%	78
GMO Systematic Global Macro Trust	Global Macro	3.19%	3	10.83%	86	21.96%	15
Pegasus Absolute Return Fund	Global Macro	2.99%	4	15.34%	73	-	N/A
Platypus Australian Equity Fund	Equity Long	2.90%	5	53.79%	13	-8.56%	102
CORALS Commodities Fund	Commodities/CTA	2.89%	6	-2.75%	120	-	N/A
Baker Steel Gold	Equity Long	2.70%	7	48.59%	15	-8.16%	100
Plato Australian Shares 130/30 Fund	Equity 130/30	2.70%	8	34.81%	40	-18.99%	120
Prodigal Absolute Cayman Fund	Multi Strategy	2.57%	9	54.84%	12	36.62%	5
OC Concentrated Equity Fund	Equity Long/Short	2.40%	10	152.53%	2	41.29%	1
Morgan Stanley FX Alpha Plus Fund (Class A)	Currency/FX	2.34%	11	31.67%	45	22.60%	13
Blue Fin Capital Managed FX Account	Currency/FX	2.33%	12	4.06%	107	6.88%	62
Macquarie Winton Global Alpha Fund	Managed Futures	2.31%	13	-5.15%	126	4.07%	70
SGH Long Short Fund	Equity Market Neutral	2.25%	14	-26.93%	135	-15.55%	111
Fortitude Australian Equity Income Fund	Equity Buy Write	2.16%	15	-	N/A	-	N/A
Plato Australian Shares Core Fund	Equity Long	2.05%	16	41.39%	26	-13.90%	107
Aspect Futures	Managed Futures	2.00%	17	-12.01%	134	4.39%	68
Prodigal Equity RV Fund	Equity Long/Short	1.90%	18	12.55%	82	31.15%	7
Headland Global Diversified Fund	Global Macro	1.84%	19	1.90%	112	0.32%	82
Jaguar Australian Leaders Long Short Unit Trust	Equity Long/Short	1.83%	20	61.49%	9	12.84%	43
WaveStone Capital Absolute Return Fund	Equity Long/Short	1.80%	21	41.45%	25	15.44%	32
Pengana Emerging Companies Fund	Equity Long	1.80%	22	69.58%	7	-4.43%	97
OC Premium Equity Fund	Equity Long	1.80%	23	78.08%	5	-18.36%	118
Aurora Sandringham Dividend Income Trust	Equity Income	1.79%	24	-0.62%	117	6.84%	63
Bellwether Partners Offshore Strategies Fund	Equity Long/Short	1.74%	25	32.03%	44	-16.38%	112
Aurora Property Buy-Write Income Trust	Equity Buy Write	1.66%	26	20.02%	62	3.56%	72
Kaiser Trading Fund	Managed Futures	1.61%	27	-6.21%	127	0.45%	80
Macquarie Alpha Opportunities Fund	Equity Long/Short	1.61%	28	43.20%	20	-14.44%	109
Prime Value Growth Fund	Equity Long	1.60%	29	32.17%	43	-8.48%	101
WaveStone Australian Equity Long/Short Fund	Equity Long/Short	1.56%	30	-	N/A	-	N/A
Platinum International Health Care Fund	Equity Long/Short	1.50%	31	14.35%	76	3.86%	71
OC Dynamic Equity Fund	Equity Long	1.50%	32	87.78%	3	-17.67%	117
PM CAPITAL Absolute Performance Fund AUD	Equity Long/Short	1.40%	33	58.03%	10	-14.57%	110
Macquarie Australian Long Short Equitised Fund	Equity Long/Short	1.38%	34	43.11%	21	-19.60%	121
CSL Active Long Only Programme	Commodities/CTA	1.36%	35	21.49%	60	14.29%	37
Ashton-Paulson Recovery Fund (A\$ Class)	Equity Long/Short	1.32%	36	-	N/A	-	N/A
Prime Value Imputation Fund	Equity Long	1.30%	37	42.39%	22	-13.99%	108
Regal Australian Long Short Equity Fund	Equity 130/30	1.28%	38	-	N/A	-	N/A
Austral Equity Fund	Event Driven	1.28%	39	15.61%	72	22.02%	14
Agora Absolute Return Fund	Equity Long/Short	1.25%	40	15.95%	70	13.61%	38
Pengana Australian Equities Core Fund	Equity Long	1.10%	41	38.95%	35	-	N/A
Antares Lodestar Absolute Return Trust	Equity Long/Short	1.08%	42	28.94%	51	-2.68%	91
GMO Australian Long/Short Equity Trust	Equity Long/Short	1.03%	43	29.18%	49	-18.50%	119
AUI Wingate Spectrum Fund	Equity Income	1.00%	44	2.16%	110	-19.87%	122

* Ranking compared with other Single managers (145 in total)



Top performing funds over 12 months - Single Managers

Fund Name	Strategy	12 Months	Rank	February	Rank *	24 Months	Rank *
Naos Small Companies Fund	Equity Long/Short	170.82%	1	-5.41%	143	26.45%	11
OC Concentrated Equity Fund	Equity Long/Short	152.53%	2	2.40%	10	41.29%	1
OC Dynamic Equity Fund	Equity Long	87.78%	3	1.50%	32	-17.67%	117
PM CAPITAL Australian Opportunities Fund AUD	Equity Long/Short	78.21%	4	0.80%	47	-4.66%	98
OC Premium Equity Fund	Equity Long	78.08%	5	1.80%	23	-18.36%	118
Katana Capital Ltd	Equity Long	71.79%	6	0.60%	57	-2.24%	89
Pengana Emerging Companies Fund	Equity Long	69.58%	7	1.80%	22	-4.43%	97
Allard Growth Fund	Equity Long	65.17%	8	-0.30%	96	7.60%	55
Jaguar Australian Leaders Long Short Unit Trust	Equity Long/Short	61.49%	9	1.83%	20	12.84%	43
PM CAPITAL Absolute Performance Fund AUD	Equity Long/Short	58.03%	10	1.40%	33	-14.57%	110
WAM Active Ltd	Multi Strategy	57.35%	11	0.00%	82	38.24%	2
Prodigal Absolute Cayman Fund	Multi Strategy	54.84%	12	2.57%	9	36.62%	5
Platypus Australian Equity Fund	Equity Long	53.79%	13	2.90%	5	-8.56%	102
Elstree Enhanced Income Fund	Convertible Arbitrage	50.76%	14	-1.68%	127	0.67%	79
Baker Steel Gold	Equity Long	48.59%	15	2.70%	7	-8.16%	100
WAM Capital Ltd	Equity Long/Short	47.11%	16	-0.50%	105	11.22%	48
90 West Global Basic Material Fund	Global Macro	46.36%	17	0.18%	75	-	N/A
Aviva Investors High Growth Shares Fund	Equity Long/Short	45.30%	18	0.30%	68	-0.47%	83
Regal Tasman Market Neutral Fund	Equity Market Neutral	43.22%	19	-0.81%	110	28.49%	8
Macquarie Alpha Opportunities Fund	Equity Long/Short	43.20%	20	1.61%	28	-14.44%	109
Macquarie Australian Long Short Equitised Fund	Equity Long/Short	43.11%	21	1.38%	34	-19.60%	121
Prime Value Imputation Fund	Equity Long	42.39%	22	1.30%	37	-13.99%	108
Elstree Australian Enhanced Income Fund	Convertible Arbitrage	41.92%	23	-1.66%	126	0.39%	81
Pengana Australian Equities Long Short Fund	Equity Long/Short	41.47%	24	0.30%	69	-1.33%	88
WaveStone Capital Absolute Return Fund	Equity Long/Short	41.45%	25	1.80%	21	15.44%	32
Plato Australian Shares Core Fund	Equity Long	41.39%	26	2.05%	16	-13.90%	107
Pengana Global Resources Fund	Equity Long/Short	41.33%	27	0.54%	60	-3.23%	94
Platinum European Fund	Equity Long/Short	41.12%	28	-1.50%	122	7.45%	57
MM&E Takeover Target Fund	Event Driven	40.78%	29	-0.51%	107	4.25%	69
K2 Asian Absolute Return Fund	Equity Long/Short	40.74%	30	-0.04%	84	5.59%	65
Wilson Investment Fund Ltd	Multi Strategy	40.07%	31	-0.31%	99	-2.46%	90
Hayberry Australian Equity Fund	Equity Long/Short	39.95%	32	-2.23%	138	2.47%	74
DV01 Mechelle Ltd	Commodities/CTA	39.07%	33	-6.00%	144	19.51%	21
K2 Australian Absolute Return Fund	Equity Long/Short	38.99%	34	-0.23%	92	21.81%	16
Pengana Australian Equities Core Fund	Equity Long	38.95%	35	1.10%	41	-	N/A
Cadence Capital Limited	Equity Long/Short	38.86%	36	-1.69%	128	-0.61%	84
Platinum International Brands Fund	Equity Long/Short	37.79%	37	-0.50%	103	20.26%	19
Platinum Unhedged Fund	Equity Long	35.23%	38	0.20%	73	11.75%	47
Platinum Asia Fund	Equity Long/Short	34.96%	39	-1.20%	118	6.50%	64
Plato Australian Shares 130/30 Fund	Equity 130/30	34.81%	40	2.70%	8	-18.99%	120
Macquarie Special Events Fund	Event Driven	34.59%	41	0.24%	71	37.28%	3
K2 Select International Absolute Return Fund	Equity Long/Short	34.56%	42	0.16%	76	7.57%	56
Prime Value Growth Fund	Equity Long	32.17%	43	1.60%	29	-8.48%	101
Bellwether Partners Offshore Strategies Fund	Equity Long/Short	32.03%	44	1.74%	25	-16.38%	112

* Ranking compared with other Single managers (145 in total)



Top performing funds in February - Fund of Funds

Fund Name	Strategy	February	Rank	12 Months	Rank *	24 Months	Rank *
FRM Sigma Fund Limited - Class A	Commodities/CTA	3.44%	1	-12.26%	25	3.37%	5
Pengana Global Small Companies Solution	Equity Long	1.40%	2	42.31%	2	-23.76%	22
Everest Masters Fund	Global Diversified	0.88%	3	9.40%	9	-34.80%	25
Everest Alternative Investment Trust	Global Diversified	0.82%	4	11.37%	8	-34.00%	24
FRM Global Equity Fund	Equity Long/Short	0.71%	5	14.69%	5	-9.71%	12
FRM Absolute Alpha Fund PCC Ltd Diversified	Global Diversified	0.71%	6	12.49%	6	-12.10%	14
ANZ Discovery Asia Fund	Equity Long/Short	0.45%	7	2.61%	18	-	N/A
Everest Absolute Return Fund I	Global Diversified	0.41%	8	2.15%	19	-19.38%	19
Pengana Global Bond Fund	Fixed Income	0.40%	9	-	N/A	-	N/A
Everest Absolute Return Fund III	Global Diversified	0.38%	10	2.09%	20	-20.95%	20
Select Alternatives Portfolio	Multi Strategy	0.37%	11	11.40%	7	-7.32%	9
Ashton Performance Fund GBP	Multi Strategy	0.35%	12	6.65%	13	-12.75%	16
Ashton Performance Fund EUR	Multi Strategy	0.07%	13	6.24%	15	-13.54%	17
Ashton Performance Fund USD	Multi Strategy	0.06%	14	5.65%	16	-12.52%	15
Everest Absolute Return Fund II	Global Diversified	0.06%	15	2.00%	21	-15.24%	18
Man RMF Dynamic (AUD)	Global Diversified	-0.08%	16	3.46%	17	-3.03%	6
GMO Multi Strategy Trust	Multi Strategy	-0.13%	17	-3.76%	24	6.01%	3
Ashton Select Fund EUR	Multi Strategy	-0.14%	18	7.20%	11	-10.26%	13
Ashton Select Fund GBP	Multi Strategy	-0.22%	19	7.24%	10	-9.05%	11
Ashton Select Fund USD	Multi Strategy	-0.30%	20	7.02%	12	-8.49%	10

* Ranking compared with other Fund of Funds (27 in total)

Top performing funds over 12 months - Fund of Funds

Fund Name	Strategy	12 Months	Rank	February	Rank *	24 Months	Rank *
Select Listed Investments	Multi Strategy	49.26%	1	-4.47%	27	-22.73%	21
Pengana Global Small Companies Solution	Equity Long	42.31%	2	1.40%	2	-23.76%	22
Select Growth	Multi Strategy	27.34%	3	-1.08%	25	-6.93%	8
Select Defensive Portfolios	Multi Strategy	15.61%	4	-0.40%	21	-4.53%	7
FRM Global Equity Fund	Equity Long/Short	14.69%	5	0.71%	5	-9.71%	12
FRM Absolute Alpha Fund PCC Ltd Diversified	Global Diversified	12.49%	6	0.71%	6	-12.10%	14
Select Alternatives Portfolio	Multi Strategy	11.40%	7	0.37%	11	-7.32%	9
Everest Alternative Investment Trust	Global Diversified	11.37%	8	0.82%	4	-34.00%	24
Everest Masters Fund	Global Diversified	9.40%	9	0.88%	3	-34.80%	25
Ashton Select Fund GBP	Multi Strategy	7.24%	10	-0.22%	19	-9.05%	11
Ashton Select Fund EUR	Multi Strategy	7.20%	11	-0.14%	18	-10.26%	13
Ashton Select Fund USD	Multi Strategy	7.02%	12	-0.30%	20	-8.49%	10
Ashton Performance Fund GBP	Multi Strategy	6.65%	13	0.35%	12	-12.75%	16
BT Total Return Fund	Global Diversified	6.65%	14	-0.45%	22	3.52%	4
Ashton Performance Fund EUR	Multi Strategy	6.24%	15	0.07%	13	-13.54%	17
Ashton Performance Fund USD	Multi Strategy	5.65%	16	0.06%	14	-12.52%	15
Man RMF Dynamic (AUD)	Global Diversified	3.46%	17	-0.08%	16	-3.03%	6
ANZ Discovery Asia Fund	Equity Long/Short	2.61%	18	0.45%	7	-	N/A
Everest Absolute Return Fund I	Global Diversified	2.15%	19	0.41%	8	-19.38%	19
Everest Absolute Return Fund III	Global Diversified	2.09%	20	0.38%	10	-20.95%	20

* Ranking compared with other Fund of Funds (27 in total)

About Australian Fund Monitors

Australian Fund Monitors (AFM) is a specialist research and information provider, focusing on the Absolute Return and Hedge Fund sector. AFM holds AFS License 324476 to provide general advice only.

AFM provides investors with information via two websites, www.fundmonitors.com.au for Australian Investors, and www.fundmonitors.com for offshore investors. Access to both sites is free subject to registration by the user, and acceptance of the terms and conditions contained on the sites from time to time.

Both websites are designed for information purposes only and users should make their own enquiries prior to making any investment decisions. Inclusion of any fund does not imply a recommendation for that or any other fund, and users of the sites should be aware that all investment products carry risk, and that past performance does not imply similar future performance.

AFM provides consultancy and specialist research and information services to the Absolute Return industry and wholesale investors. For further details please contact:

Christopher Gosselin

CEO

Australian Fund Monitors Pty Ltd

ACN: 122 226 724

Phone: +61 2 9276 2704

Email: chris.gosselin@fundmonitors.com

PO Box R1904, Royal Exchange

NSW 1225 Australia