

## *Fund Marketing: A misunderstood process!*

Some years ago, my boss at a well-known fund manager told the investment team that marketing was BS and that good performance and process would attract all the fund flow that you need. You can imagine how that stuck in my throat. I will always contend that you might produce the best widget in the world but if you don't market it, no one will know what a great widget it is. Irrespective, fund marketing is a secondary consideration in most traditional and hedge fund environments. I will always suggest that marketing must be given the same significance as fund performance and process.

A couple of years ago, I delivered a paper at a conference entitled "Hedge Fund Marketing: Art or Science"? I would always say that it is a science or process rather than an Art. Most people think that fund marketing involves hiring somebody with a great Rolodex and they phone their buddies on the buy side to sell an allocation. Over the years that I have seen people hired for their "connections", they virtually always fail. Marketing is a step-by-step process, which if followed, and is supported by reasonable performance (not stellar), attracts steady fund flow.

Let's talk about the process. Day one in the establishment of a marketing unit is the development of your investor database. For this, you need a Client Relationship Management software package. In the early 90's I got very animated about combining a word processor document with a spreadsheet and faxing the combined doc out through a DOS software package called ACT. Market commentary and numbers out by a fax broadcast, it was sheer genius. Microsoft Windows wasn't around then. Everybody operated under Microsoft DOS. By the time Windows 95 was out, there was an ACT for Windows, which was able to send fund updates via a new thing called email. Whoa, cutting edge. In these early years I became an ACT for Windows expert. Nowadays, I'm on Apple Mac and I use a CRM called Daylite. What do you use a CRM for? You input names and companies, and important details. You need interaction recording such as email and phone calls. You also need note taking plus a ranking as to potential

investment. The CRM needs to be able to synchronize across a team with a large number of users and devices. These days you'll need syncing to iPads and other devices. Plus Cloud capability, syncing and storage. How do you source potential investors? I've built my databases over 20 years. My old hairdresser still gets my newsletters from 15 years ago. He says it's pretty dull stuff but if he had a bit of money he'd be an investor. You can buy investor databases or trawl Google and even LinkedIn for contacts. There's a local Institutional database called Rainmaker, which is very good with Superfunds, Asset Consultants, and Multi Manager contacts. Another very good service is the Family Office Connect, which specializes in Australian and New Zealand Family Offices. I'm very pro conference marketing. A lot of people will argue that the cost benefit isn't there but I disagree. I think it's a very effective way of collecting business cards, interacting face to face and learning from conference presenters. Realistically, sitting in Australia, you can get by with 200-300 key contacts from Superannuation Funds, Multi Manager Funds, Private Banks, Family Offices and Dealer Groups. I should mention Asset Consultants and product Research Houses such as Towers Watson and Zenith. In the case of the Research houses, you need a Product Disclosure Document (PDS), effectively retail distribution, where you have the product rated ahead of marketing to the Dealer Group networks.

The next step is communicating with all of these contacts. The best form is a monthly newsletter. More than likely, a performance update. This newsletter goes out to approximately 6000 recipients around the world. I get more subscribers than unsubscribes so I guess more people like it than dislike it. Other than my ramblings I include local market news via David Chin, economic reporting from George Bijak and Chris Gosselin's AFM League tables. Plus Gadget Corner, which is more my hobby. Hopefully readers find something interesting there.

The next step is road-showing which involves a lot of airline miles. When we market a manager, we set up the roadshow and that gives the manager an opportunity to showcase their skill set. This is a key component. We don't "sell" the skill set, the

manager does this. There is no amount of sales skill, follow-ups, ask for the cheque, none of this works unless the portfolio manager hits a chord with the investor. And then the follow up is the monthly performance. Fund selling is a soft sell. Meet the manager, click with the investor, and send monthly performance updates and then, maybe an investment after the investor has watched the performance develop. In my experience, this process from first meeting to investment takes 12-18 months. You might do 20-30 roadshows and you may see one investment. I tend to do 1-3 deals a year.

In Australia, to do all this you need to have an Australian Financial Services License AFSL, although depending on the legal advice, you may be advised otherwise. It is probably better to have one as a client gets significant comfort from the fact that you are licensed. If you want to extend your business to retail distribution, this is a requirement. Offshore marketers theoretically need a license. There are reciprocal arrangements with various Regulators but most offshore marketers don't seem to bother.

I must discuss Social Media. I am still trying to work out how it fits into Financial Services. I am looking at outsourcing contact scouring primarily through LinkedIn. I have a large contact base in LinkedIn but I don't utilize it as efficiently as I should. Twitter is good if you are somewhat of a celebrity even if it's just within Financial Services. Quick messages to Followers. Manager X is up 1% for the month of June, click here. Facebook is probably the same. Anyway, where do you get the time for all of this?

Here's the Catch 22. All of this costs money. A marketing company has staff, rent, telephones, travel expenses and IT. Licensing and legal costs. So on, and so on. Managers seem to think that they can pick up these services for free. Increasingly, marketing entities charge for these services. It is normally a retainer plus fee share, and expenses. The costs are significantly less than inhouse marketing staff and there is no Superannuation Guarantee, PAYG Tax, Annual and Sick Leave.

So I hope that I have got my message across. Marketing is a process and not just contacts and connections. The process needs to be constantly monitored, updated, and it's ongoing. It's very intense but very rewarding when you get an investment. Remembering that the marketer is only the facilitator and communicator. The fund manager closes the investment. They must work hand in hand.

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## ***Invitation to fund managers – Australian Hedge & Boutique Fund directory - 2nd edition***

The 2nd edition of the Australian Hedge & Boutique Fund Directory is now being developed. Fund managers are invited to have their details listed (at no cost) - please contact David Chin, Managing Director, Basis Point Consulting david@basispoint.com.au

The 2nd edition will be even more comprehensive than the 1st edition, with:

- 200+ managers profiled (165 in 2012), making it Australia's most comprehensive hard-copy funds directory
- Wider distribution to investors (institutional, wholesale, family offices, UHNW, fund of funds and global)
- More in-depth statistical analysis of the industry
- A launch party in September

Current sponsors include: Gold; Moore Stephens, TMF Group, Silver; NYSE Euronext, One Investment, Triple A Partners, Saxo Capital Markets, UBS, Alceda, Bloomberg, & Australian Fund Monitors....with more sponsors to be announced shortly.

Global managers and industry service providers seeking to become a sponsor or listing entrant should also contact David Chin at david@basispoint.com.au

## ***Global institutions favour alternatives***

AMP Capital has released its global Institutional Investor Report.

Highlights;

- Thirty-six per cent of respondents in Asia anticipate increasing their direct/unlisted investments in the year ahead, while 46 per cent of those in Europe and 38 per cent in the Americas foresee such a change.
- Real assets already play a substantial role in investors' existing asset allocation

strategies with 30 per cent holding more than 10 per cent in real assets.

- There is no sign that the ‘great rotation’ from bonds to equities has eventuated, with 79 per cent replying having had no plans to move out of cash and fixed income this year.
- Institutional investors in Asia increased their investment in fixed income and other instruments in Q1 2013. This growth in fixed income allocations in Asia is likely to continue in the second quarter.
- The global institutional investors surveyed managed US\$1.9 trillion.

### Five Australian fund executives in the (UK) Sunday Times Rich List

The annual (UK) Sunday Times Top 1000 Rich List counted 161 financiers of whom five are Australians involved in funds management.

- Michael Hintze, hedge fund, CQS, £900 million ranked 95 (last year £580m).
- Graham Tuckwell, ETF Securities, £308 million rank 275 (last year £500m).
- Greg Coffey, hedge fund, ex-Moore Capital, £260 million ranked 313 (last year £252m)
- Hilton Nathanson, (ex) co-founder Marble Bar Asset Management, £245 million rank 522 (last year £150m)
- Seumas Dawes, Ashmore Group (emerging markets fund manager), £90 million rank 859 (last year £90m)

On the topic of successful expat-Australian fund managers, the Australian Financial Review (27 April) profiled Hong Kong based Janchor Partners and New York based Manikay Partners, (AFR also profiled Australian funds; VGI, Merricks Capital and MST Capital)

Australians John Ho founded Janchor (\$1.25 billion AUM) while Shane Finemore launched Manikay (\$1.25 billion AUM). Ho is ex Citadel Chicago /TCI Hong Kong while Finemore is ex-global head of proprietary trading at UBS, according to the AFR.

Interestingly, AFR reported that Janchor’s management fees decline as assets grow, and turns negative after AUM hits \$6 billion.

### Future Fund’s Reduces Alternatives Allocation

The Future Fund has lowered its alternatives allocation from 16.3 per cent to 15.3 per cent, according to its March quarterly fund update.

All asset classes, except cash, debt securities and alternative assets, remained relatively unchanged. Debt securities suffered the greatest drop (down 2.5 percentage points) while cash rose by 2.6 percentage points and alternative assets fell by 2.5 per cent and 1 per cent respectively.

Asset Class	A\$ Billion	% of Fund
Aust Equities	9.89	11.6
Global Equities		
-Dev Mkts	15.45	18.1
-EM	4.81	5.6
Private Equity	5.76	6.8
Property	5.47	6.4
Infra & Timber	5.55	6.5
Debt Sec	14.17	16.6
Alternatives	13.06	15.3
Cash	11.00	12.9
Total	85.16	100

Data may not sum due to rounding. Data as at March 2013.

### Definition of ‘hedge fund’ under review

ASIC has received industry submissions seeking to refine the definition of ‘hedge fund.’ There are concerns the current definition affects a number of funds that do not exhibit the same risks to investors as ‘true’ hedge funds.

A hedge fund is currently defined as...

- promoted as being a ‘hedge fund’, or
- exhibits two or more of the following characteristics:
  - complexity of investment strategy or structure
  - use of debt
  - use of derivatives (subject to limited carve-outs)
  - use of short selling, or
  - has rights to charge a performance fee.

Hedge funds are (generally) precluded from using the shorter product disclosure statement (PDS)

regime and have higher disclosure benchmarks to improve investor awareness of product risks.

### *Insights from the Superfunds Industry*

Eighteen CEOs/CIOs of large superfunds were interviewed for a report on Australia's superfunds industry. The 43 page report was commissioned by State Street and prepared by UK based Clear Path Analysis. [Click here for the report.](#)

Highlights;

The report covered key challenges facing the superfunds including: regulatory reforms; member issues; data issues; & managing money.

On 'Managing Money,' Sunsuper's CIO, David Hartley, noted;

- The value in bringing investments in house depends on the asset class and investment style
- There is (also) a question of who will provide a better investment return –in-house or external manager 'because it's not just about fees'
- Sunsuper is paying approximately \$100 million in fees a year to external managers
- Institutional investors go through "punctuated evolution" as it grows and considers in-house investment management...and ends up having a manager-of-(internal)-manager model.
- The manager-of-managers model offers a long-term stable structure.

### *People on the move*

nabInvest has appointed Michael Gaffney as an investment specialist within the institutional distribution team. He previously held senior roles at Challenger and Bank of Ireland AM. nabInvest has 10 domestic and global boutique investment manager partners, who collectively have \$48 billion in AUM.

\*

Affiliated Managers Group (AMG) has appointed Cameron Dickman as director, sub-advisory distribution for Australia. He will lead retail and wholesale business development for AMG's affiliates and will report to Gregor Rennie, Managing Director and Australasian region head.

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US based AMG (US\$463 billion AUM) owns equity stakes in boutique fund managers worldwide, and markets these managers to investors. Dickman was previously General Manager - Retail, at Australian Unity.

\*

Challenger has appointed Michael Clarke, ex-MD Institutional at Russell Investments, as general manager, institutional business development and strategic alliances.

He will also be responsible for the Fidante Partners' (owned by Challenger) boutique funds management business, and will report to Paul Rogan, chief executive of distribution, product and marketing.

\*

Suncorp Group has appointed Nick Basile, (ex-acting CEO for Canada's Presima) as CIO. He will report to John O'Farrell, head of Capital and Investments. Basile was previously at nabInvest as investment director.

\*

Equity Trustees has appointed George Boubouras as interim CIO pending the outcome of EQT's takeover offer for The Trust Company. Boubouras is ex-Head of Investment strategy and consulting at UBS Wealth Management.

Equity Trustees has also appointed Paul Kasian, ex-Accordius CIO, as its new head of Australian Equities. He is a co-founder of Wallara Asset Management.

\*

The Future Fund has promoted David George to the role of head of debt and alternatives. He was previously a director in the team.

\*

Cbus has appointed Grant Harrison as investment manager of private markets (which includes property and infrastructure). He has a 20-year career in financial including roles at Wilshire Australia, Funds SA and the Commonwealth Superannuation Corporation.

\*

State Super has appointed Peter Laity (ex ESSS head of investments) as head of equities, a newly created role.

\*

Perpetual Investments has appointed Dean Winterton as general manager, distribution.

\*

Morningstar Investment Management has appointed Daniel Needham as global CIO. He was co-managing director of Ibbotson Associates Australia (part of Morningstar's Investment Division).

Chris Galloway, formerly co-MD, will be sole managing director of Ibbotson Associates Australia.

Needham will relocate to the UK after the company appoints a new CIO in the Asia Pacific. Both executives came from Intech Investments which was acquired by Morningstar in 2009.

\*

Lonsec has appointed Simone Gavin and Nicholas Thomas as senior investment analysts, according to AdvisorVoice. Gavin is ex S&P's managed funds research team, while Thomas is ex senior research analyst at Russell Investments. They will review funds with a focus on equities.

\*

BlackRock has appointed Jason Collins and Prema Basas as head and director respectively of institutional client business for Australia. Collins is ex-COO at Ascalon Capital Managers, while Basas is ex Associate director at Fidelity Worldwide Investment.

\*

Ascalon has appointed Robert Lance as head of Australia, replacing Jason Collins. Lance was the co-founder/CEO of Hong Kong based DragonBack Capital. He will be based in Sydney and will report to Ascalon's Hong Kong based CEO Chuak Chan.

\*

Rivkin has appointed James Chirnside as chairman of its investment team to develop the firm's funds management capabilities. Chirnside previously ran a fund of hedge fund and is currently a board director of three ASX-listed investment companies: Cadence Capital, WAM Capital and Mercantile Investments.

\*

Institutional Shareholder Services has appointed Dr. Ulysses Chioattoas as Executive Director and Head of Research for Australia and New Zealand. Chioatto is a co-founder of SSAMM Management Consulting. ISS provides corporate governance solutions.

### **Manager developments**

Henderson Global Investors has acquired a 33 per cent stake in 90 west Asset Management, a \$4.3 billion long-only global equities manager focussed on natural resources including agriculture, mining and energy. The purchase is part of the Australian build-up of UK headquartered HGI.

HGI told the Australian Financial Review it has a flexible business model to buy, seed, or employ funds management firms/executives in Australia.

Henderson and 90 West have also entered into an exclusive global distribution agreement.

\*

US hedge fund manager PEAK6 Advisors has raised over USD \$1 billion for its Achievement fund since September 2012 launch. Around 5 per cent of these assets have been contributed by Australian investors. The long/short equity and credit fund is headed by Joe Scoby, formerly the founder of UBS O'Connor in Chicago. PEAK6 is represented in Australia and New Zealand by Introvest Pty Ltd.

\*

Prime Value has launched a PDS for its Prime Value Opportunities Fund, a concentrated Australian equities fund where 20 per cent of AUM can be allocated to international equities. The fund is managed by ST Wong and has the flexibility to go to 100per cent cash.

\*

IOOF has provided a total of \$100 million in seed capital for an Australian equities strategy and a listed property strategy both managed by Legg Mason. The two strategies will form part of IOOF's multi-manager funds.

\*

MLC has added BlueMountain's credit alternatives fund to the MLC Low Correlation Strategy (LCS). The LCS is a fund of hedge funds within the MLC Horizon Series of portfolios and MLC Long Term Absolute Return Portfolio. BlueMountain Capital Management (\$15 billion AUM) was established in 2003 and is part of US based Affiliated Managers Group (AMG).

\*

Pacific Alternative Asset Management, an \$8.6 billion U.S. fund-of-hedge-fund, is considering Asian managers employing relative-value strategies and those investing in high-yield stocks, according to David Walter, PAAM's Singapore-based director, speaking to Bloomberg. The firm is currently invested in about 10 managers focused on the region, most via managed accounts. [Click here for article.](#)

\*

Ascalon Capital Managers has acquired a 30 per cent stake in Singapore based alternative manager, RV Capital Management. The acquisition includes an investment into RV Capital's flagship Asia Opportunity Fund, (an Asian macro fund). RV Capital was founded in 2011 by Ranodeb Roy (ex-Morgan Stanley head of fixed income for Asia-Pacific) and Vickram Mangalgi, (ex-PIMCO).

\*

Frontier Advisors has formed a Global Investment Research Alliance with Segal Rogerscase.

The Alliance's aim is to share research on investment managers among member firms across global regions. More independent research firms are expected to join the alliance.

\*

JBG Structured Investments will be launching a new structured product based on an investment in Warren Buffett's Berkshire Hathaway stock. It will be a continuation in the series of BH structured product by JBG. Minimum investment is \$50,000.

\*

ASF Capital has launched the ASF Capital Investment Fund which will make direct and indirect investments in Australian infrastructure and real estate. ASF Group is an ASX listed investment company and distributes the Hong Kong based Marco Polo Pure Asset Management fund to Australian investors.

\*

London-based Stratton Street Capital is marketing its fixed income fund, the New Capital Wealthy Nations Bond Fund, to Australian institutional investors. Equity Trustees has been appointed the responsible entity. The minimum investment is \$1 million.

\*

Dutch asset manager Robeco will launch an Australian unit trust in September that enables investment into its low-volatility emerging markets equity strategy, according to the Instoreport. Robeco opened an office in Australia last year.

\*

Merricks Capital is seeking \$150 million from investors into a new property focussed mezzanine debt fund, according to the Wall Street Journal. Merricks currently manages \$630 million, with around \$500 million invested in a long-short Asian equity strategy.

\*

Evergreen Capital Partners plans to launch a Global REIT and Infrastructure Absolute Return (long/short) Fund on July 1 with more than \$10 million in initial capital, according to Bloomberg. The Melbourne based firm manages A\$200 million through its long-short Australian Equities Return Fund and a long-only AREIT and Infrastructure Fund.

### **Mandates**

MLC has awarded a significant but undisclosed mandate to Montreal-based global listed real estate boutique fund manager Presima. Presima is a partner boutique investment firm of nabInvest, National Australia Bank's direct asset management business.

\*

Cbus has awarded Industry Funds Management (IFM) with a \$300 million cash mandate.

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\*

The Clean Energy Finance Corporation (CEFC) will begin its \$10 billion investment programme starting 1 July. \$2 billion will be invested each year over 5 years

CEFC's investment mandate is to 'mobilise investment in renewable energy, low emission and energy efficiency projects and technologies in Australia' as well as related manufacturing business and services. The government investment entity is headquartered in Sydney and led by Oliver Yates, CEO.

\*

CareSuper has awarded US based Neuberger Berman with a \$65 million emerging markets equities mandate. Neuberger Berman has approximately US\$216 billion in FUM globally.

### **Other developments**

Hong Kong investors (institutional and HNW) accounted for just 6 per cent of Hong Kong's hedge fund assets of US\$87.1 billion according to the latest HKSFC annual hedge fund survey.

94 per cent of investors in Hong Kong licensed hedge funds were from outside of Hong Kong. Most were funds of hedge funds, insurance companies and other institutional investors. US and EU investors represented 61 per cent of the total AUM managed in Hong Kong. [Click here for report.](#)

\*

38 per cent of the adult Australian population invested either directly or indirectly in the Australian share market – down from 43 per cent in 2010, according to ASX's bi-annual Australian Share Ownership Study. Investor confidence has also declined - 42 per cent intended to buy shares in the short term, compared to 62 per cent in 2010.

\*

Australia's superannuation asset has reached a new high of \$1.58 trillion. The industry grew by 13.5 per cent, or \$187.8 billion, in the 12 months to the end of March, according to APRA's March 2013 Quarterly Superannuation report.

**Bijak's Macroeconomic Digest**

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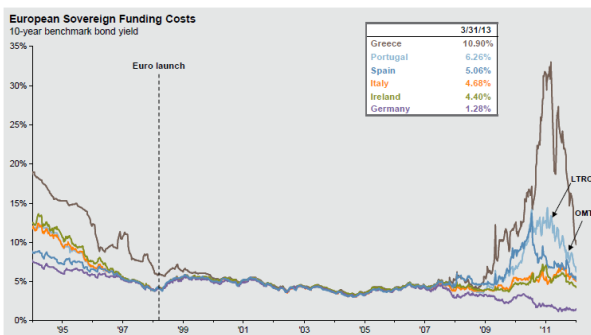


Picture by Reuters

**Opportunities in confused Europe**

Where in Europe would you make 100% return over 12 months till mid of May? Answer: Greek stock market.

What about Greek sovereign bonds? Well, they did not default contrary to the expectations and Greece did not leave Euro & European Union. Rather, Greek bonds rewarded investors handsomely when 10y yield fell from above 30% to around 11% - see my updated favourite JP Morgan chart:



Source: Tullett Prehon, FactSet, J.P. Morgan Asset Management. Note: The ECB announced the second round of Long Term Refinancing Operations (LTRO) in February 2012. The Outright Monetary Transaction (OMT) program was announced in September 2012. Data are as of 3/31/13. J.P.Morgan Asset Management

Yet looking back, we can only recall media doom and gloom about Europe: Euro crisis, debt crisis, EU's inability to agree on anything, hopeless situation in Greece and Cyprus, crazy push for austerity during recession, rising unemployment, negative growth outlooks etc.

For the last three years, around northern hemisphere's summer time, Europe dragged global stock markets down in major corrections on

the relentless extreme negativity.

The widely shared rationale behind the European unification project from its beginnings soon after the WWII was that removing barriers to trade and opening markets for investment supported by a common Euro currency would spur economic growth for all members. The Union grew to 27 members, soon to be 28 with the addition of Croatia. Now, the supporters of the Union scratch their heads how to deal with the prolonged recession.

Not surprisingly public support for the European project is weakening – trend confirmed by PEW public opinion research:

**Fewer Support European Economic Integration**

	% European economic integration strengthened country's economy					
	1991	Fall 2009	2010	2012	2013	09-13 Change
	%	%	%	%	%	
France	31	43	37	36	22	-21
Italy	43	31	--	22	11	-20
Spain	53	53	51	46	37	-16
Poland	--	53	68	48	41	-12
Britain	44	29	32	30	26	-3
Czech Rep.	--	31	--	31	29	-2
Germany	--	50	48	59	54	+4
Greece	--	--	--	18	11	--

In 1991, the question asked "In the long run, do you think that (survey country's) overall economy will be strengthened or weakened by the economic integration of Western Europe?"

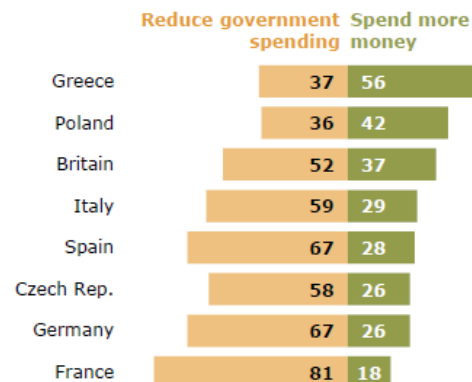
PEW RESEARCH CENTER Q31.

Source: <http://www.pewglobal.org/files/2013/05/Pew-Research-Center-Global-Attitudes-Project-European-Union-Report-FINAL-FOR-PRINT-May-13-2013.pdf>

The German push for austerity during the GFC and recession left a permanent mark on the general public thinking.

People seem to believe that cutting spending – not spending more - is the way out of the recession. See another PEW graph below... John Keynes must be turning in his grave.

**Only Greeks Say Spend More**



"What is the best way for the government to solve our country's economic problems - to spend more money to stimulate the economy OR to reduce government spending to reduce the public debt?"

PEW RESEARCH CENTER Q33.

**Support for Euro Still Strong**

	% Keep the euro		
	2012 %	2013 %	Change
Italy	52	64	+12
Spain	60	67	+7
Germany	66	66	0
Greece	71	69	-2
France	69	63	-6

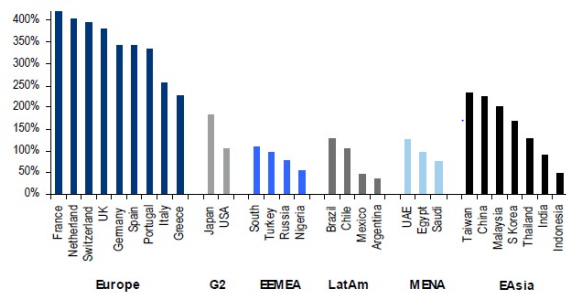
PEW RESEARCH CENTER Q83.

A strong and growing support for the Euro currency (see table above) is a surprise. The highest 69% is in Greece from all places – the country which has been going through the most severe debt crisis, deepest recession and highest unemployment. By giving up control of their own money Greece was unable to deal with the debt crisis by currency devaluation; yet a majority wants to stay in eurozone.

EU policy makers are left with monetary tools to fight the recession given the lack of public support for the fiscal stimulus while accepting Euro. ECB has been pumping liquidity to the financial system and from there to the markets.

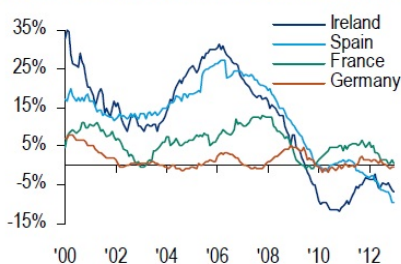
The next chart shows overgrown European banks in a need of much more deleveraging before they can start lending again to the consumers. Hence, the credit crunch depicted by the second chart.

Chart 3: Total banking assets as % of GDP



Source: BofA Merrill Lynch Global Research, Central Bank data, Haver

Chart 4: Falling EU private sector credit growth



Source: BofA Merrill Lynch Global Investment Strategy, DataStream

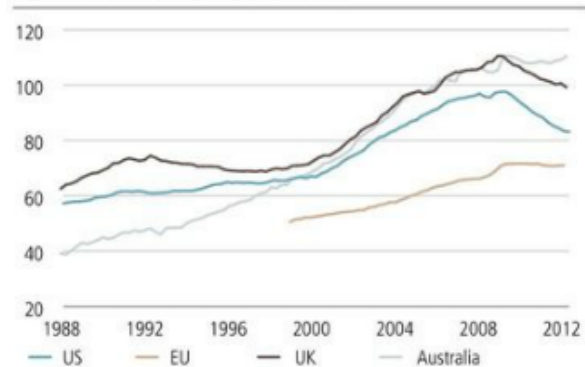
<http://macronomy.blogspot.com.au/search?updated-max=2013-05-19T13:28:00%2B01:00&max-results=3>

The credit crunch was executed by the European TRIPLE A PARTNERS

Banking Association requiring European banks to reach a Core Tier 1 capital ratio of 9% by June 2012. It has not only broken the credit transmission mechanism to the real economy in Europe but caused a recent credit crunch as well.

The good news is that once the banks recover and deleverage, the European consumers will be in a sound position to take on new debt and fuel the next growth phase because European households have relatively low leverage (see UBS chart below).

Figure 3: Household debt (% of GDP)



Source: Haver Analytics

Source: UBS – Investing in 2013

<http://www.ubs.com/content/dam/static/epaper/index.html?id=9d2b80fc>

The ongoing aggressive monetary policy combined with the stand-by ready to leverage-up consumers gives confidence that Europe will recover from the recession – it is only a matter of time.

The recovery can happen without the issuance of joint Eurobonds. The debate recently reignited by George Soros about the need for Eurobonds will not find much support given the negative perception of anything that has to do with the state, and presumably EU, sponsored spending. People resist centralization of power and such changes are usually possible only in a crisis environment. The introduction of the Euro and associated with it centrally controlled monetary policies are more acceptable mainly through general public ignorance.

Investors who doubled their money in Greece over the past 12 months are likely now to be tempted to look for more selective opportunities in the confused and weakened Europe.

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column.

### Damo's Gadget Corner

Last month Apple announced their new mobile operating system IOS 7. We will probably see upgraded iPhones, iPads, Touch and upgrade path for some past models at the same time. We'll have a quick look, with the expected release to be September. I'll also discuss why I am struggling on Android. I really think the main Android phones are better than the iPhone 5 but the Android operating system lets the phones down.

We'll also have a quick look at the new Apple Airbooks mainly because I upgraded my 11 inch 2012 Airbook to the new release. Apple also announced the upcoming release of the next edition of OS X this time named after the famous Big Wave surfing spot, Mavericks, expected in the US Fall. The very sexy looking and powerful Mac Pro Desktop was also announced. Aside from the mega specs, I can only provide you with a photo of its unique design.

### IOS and Android

Last month I bought the HTC One. I was so impressed with this sleek beautiful phone but I quickly became underwhelmed by the Android Operating System. A couple issues had me going back to the iPhone. For me a killer App is Messages. I love the way Apple has set this up to have messages originate from your iPhone but you write the message on your Mac in Messages. Providing my recipients are on iPhone, I can send texts from my iPhone, iMac, iPad, or Airbook and of course all originating from my mobile number. Secondly, our CRM is Daylite for Mac and we sync our iPads and iPhones. Unfortunately, no Android equivalents. My other big use for my phone is playing music. As I have a huge iTunes Library, you supposedly can sync your Music via the HTC One software but after one successful sync, the software could not see the Library. So these issues had me heading back to my iPhone 5. In addition, Android Apps just look sort of slapped together. They don't seem to be as polished as IOS Apps. I also sync'd my Apple Address book (which is a handy but basic App), with Google Contacts. It has a two way sync feature which has completely wrecked my address fields in the Apple Address Book. However, I'd love to see IOS 6 or 7 on the HTC!!!

Here's the beautiful HTC One.



Great phone pity about the operating system!

Here's IOS 7 due for release in maybe September.



It's a bit hard to see but the interface is completely new. The App buttons are flatter. The operating system is the first of the post Jobs era. Sir Jony Ive, the design guru has taken responsibility for IOS design or redesign. Some of the new features include an enhanced Siri, Airdrop added to IOS 7, and iCloud Keychain for password storage. There will be no reception bars instead you will see black dots.

### New Apple Airbooks

As I mentioned I upgraded my Mac Airbook 11 inch for the new 13 inch. The reviews have been sensational and I can confirm that I agree. My reason for upgrade was two fold. The day long battery is fantastic. My 2012 Airbook was lucky to last a couple of hours. The 2013 model lasts all day. Quite amazing. Also, my fully spec'd 11 inches had the largest flash drive at the time. It was 256 GBs. I was down to 8% free space which is a little dangerous with memory caching. I was always trying to manage my Music and Photo Libraries. Now I have plenty of storage with 512 GB of Flash Storage. The weight comes in at 1.35 kilos. The sleek shape and screen size has me going for the 13 inch. I just found that the 11 inch screen was slightly too small. I'm running 8 GB of RAM and it goes like a missile.



A\$ cost is fully spec'd at around \$2000.00. Next Airbook upgrade, put it on eBay and you'll get \$1400 plus!

*The Mac Proc Desktop*

This is a photo of the replacement for the design studio workhorse the Mac Pro Desktop. It's certainly an evolutionary design.



The specs are quite literally muscle car. Intel Xeon E5 chipset. With configurations offering up to 12 cores of processing power, up to 40GB/s of PCI Express Gen 3 bandwidth and 256-bit-wide floating-point instructions, this is a screamer! Dual GPUs, PCI Express-based flash storage, high-performance Thunderbolt 2, new-generation Xeon processors, ultrafast memory and support for 4K video! Massive grunt. And it's rumoured that new Thunderbolt Displays are on the way.

TRIPLE A PARTNERS

**Damien Hatfield**

Triple A Partners  
 Ph: +61-2-92340072  
 M: +61 400 560 240  
 E: [damien@aaapartners.com.au](mailto:damien@aaapartners.com.au)  
 W: [www.aaapartners.com.au](http://www.aaapartners.com.au)

CONTRIBUTORS

**David Chin** is the consulting editor for the Australian Hedge newsletter. He is also the managing director of Basis Point Consulting, a research and news syndication firm focused on the Australian and Asia-Pacific hedge funds, financial markets, and derivatives industries. Contact: [dchin@basispoint.com.au](mailto:dchin@basispoint.com.au)

**George Bijak** is a director and investment strategist of GB Capital Pty Ltd. A provider of corporate profits outlook – macroeconomic research for global dynamic multi asset allocation investment strategies [www.cpgli.com](http://www.cpgli.com) Contact: [gb@cpgli.com](mailto:gb@cpgli.com)

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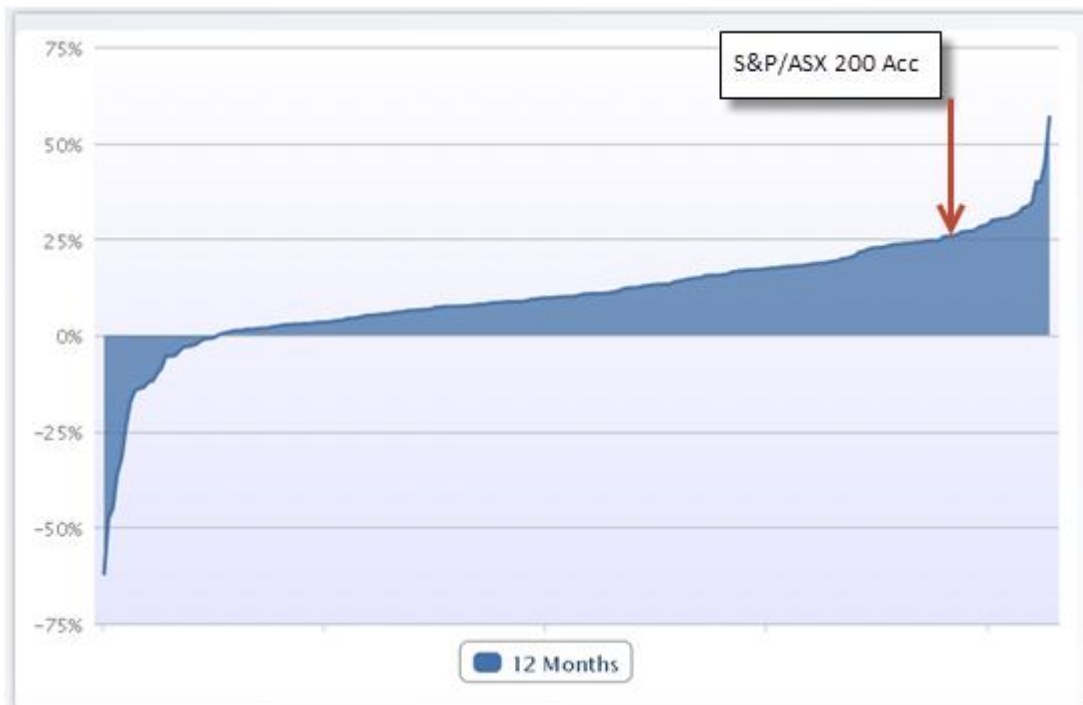
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## Fund Return Commentary

### Performance Year to May 2013

As shown below the absolute return fund universe has generally delivered sound returns with only 25 out of 214 funds ( 11.68%) recording a negative return for the 12 months to May. The average return across all strategies is 12.57% with a wide spread of returns, wide ranging from -62% to 57%. Funds operating in the equity space had an average return of 16.94% as compared to 26.41% for the S&P/ASX 200 Acc return.

### Absolute Return Fund performance for the year to May 2013



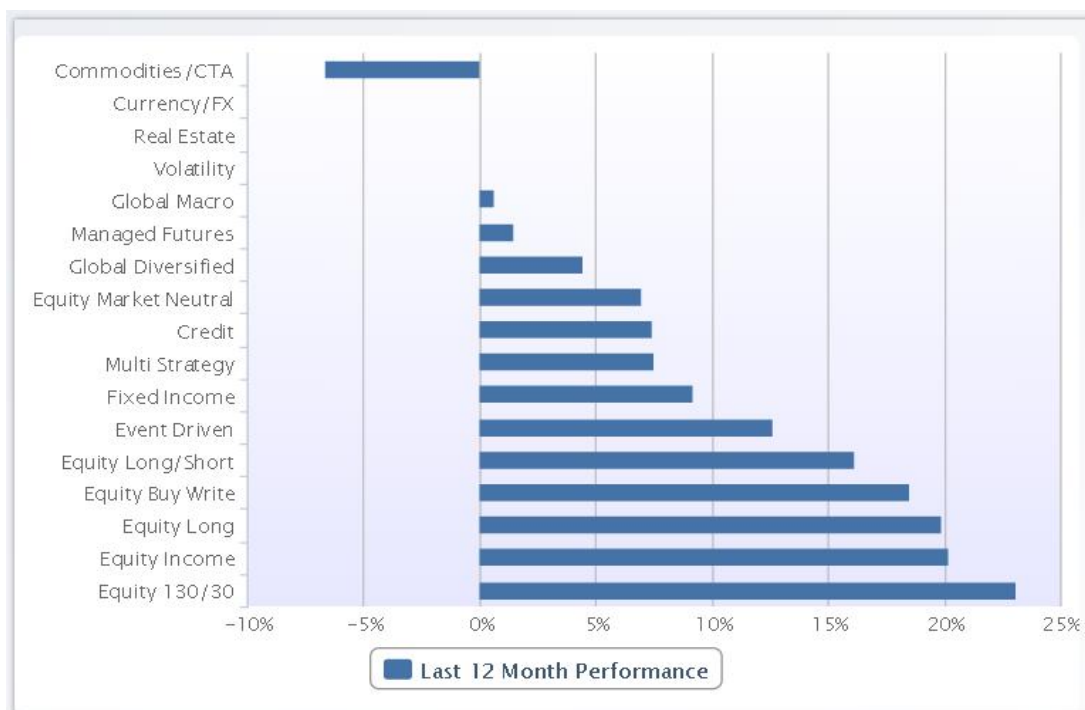
Turning to underlying strategies it is not surprising to see that commodity and CTA funds delivering the lowest return given the very difficult markets in that sector over the last 12 months. In addition the global macro/diversified and managed futures strategies have also not delivered strong returns. Again these markets have been very difficult with significant volatility driven by political and central bank policies. No single strategy, in aggregate, out-performed the S&P/ASX 200 Acc return.

The credit and fixed income strategies have been the beneficiaries of the declining interest rates globally as well as the decrease in credit spreads as a result of the liquidity wave resulting from central bank activity.

The best performing strategies are (unsurprisingly) all equity strategies given the buoyancy of equity markets as the global improved, if only marginally over the year, and central banks boosted liquidity

and held interest rates down. Within these strategies equity income did well as the flight to yield boosted the values of the more yield orientated investments these funds tend to hold.

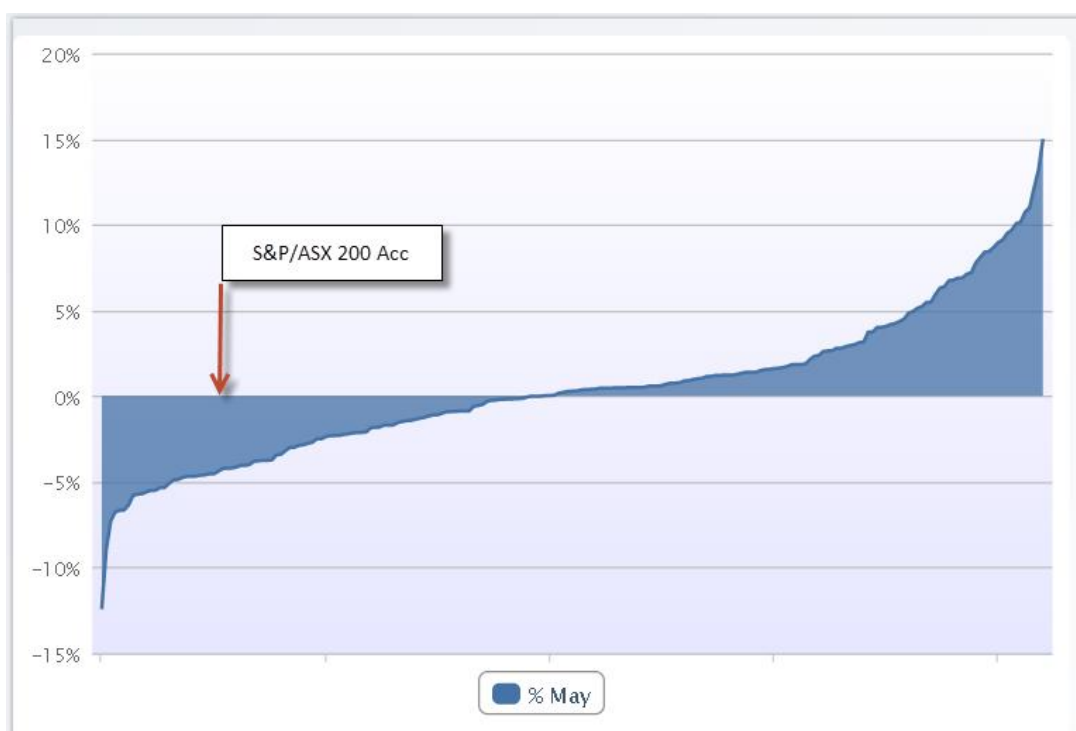
### Fund Strategy performance for the year to May 2013



### Performance for May 2013

For the month of May, 44.6% of funds had a negative performance with an average performance of 0.51% across all strategies. Within the strategies equity related funds returned 0.4% while the S&P/ASX 200 Acc delivered -4.5%.

### Absolute Return Fund performance for May 2013



Looking at the underlying strategies there are no clear trends for the month. However when looking at the strategy monthly performance relative to their annual performance it is clear that the trends which were prominent over the 12 months had started to reverse. Notably here the 130/30 funds and the Equity Buy Write funds which ranked first and fourth over the year moved to last and third last during May when equity markets had a difficult month.

Over the month all strategies out-performed the S&P/ASX 200 Acc.

### Fund Strategy performance for May 2013





Fund Name	Last Reporting Month %	Last Reporting Month	Ann Return	Ann Std Dev	2008	2009	2010	2011	2012	YTD 2013	Inception Date
<b>Cash</b>											
PM CAPITAL Enhanced Yield Fund	0.50%	May-13	6.88%	2.27%	0.82	10.91	7.54	4.20	6.59	2.83	Mar-02
<b>Event Driven</b>											
Pengana Asia Special Events (Offshore) (AUD)	1.60%	May-13	11.02%	6.41%	18.79	13.90	8.45	7.79	3.52	6.24	Jul-08
Pengana Asia Special Events (Offshore) Fund (USD)	0.50%	May-13	7.31%	4.89%	4.89	14.37	5.82	5.89	0.86	4.37	Jul-08
Pengana Asia Special Events (Onshore) Fund	1.63%	May-13	12.39%	6.49%	13.36	15.35	9.44	8.76	4.21	6.33	Sep-10
Sandon Capital Activist Fund	2.80%	May-13	12.59%	6.63%	0.00	5.06	14.52	7.71	11.25	8.19	Sep-09
<b>Fixed Income/Credit</b>											
Altius Bond Fund	0.59%	May-13	6.65%	1.79%	0.00	0.00	0.00	1.78	8.08	1.20	Jun-11
Apostle Loomis Sayles Credit Opportunities Fund	0.02%	May-13	6.16%	10.11%	-28.10	40.93	15.36	6.37	14.33	3.38	Dec-05
Apostle Loomis Sayles Senior Loan Fund	0.37%	May-13	6.73%	10.36%	-26.48	38.82	12.90	7.38	12.11	3.65	Nov-07
Ardea Wh Australian Inflation Linked Bond Fund	-1.69%	May-13	10.74%	6.03%	0.00	0.00	3.79	19.69	10.06	1.90	Mar-10
Bentham Wholesale Global Income Fund	1.84%	May-13	8.12%	9.41%	-33.30	58.37	16.50	1.92	19.46	6.64	Sep-03
Bentham Wholesale Syndicated Loan Fund	0.59%	May-13	8.93%	8.59%	-28.80	55.86	15.19	7.52	14.13	5.12	Aug-04
DDH Global Fixed Interest Alpha Fund	1.15%	May-13	6.28%	7.25%	6.43	14.74	0.62	-7.23	11.52	2.95	Jul-05
HCAP Diversified Fund (AUD Class)	0.48%	May-13	8.59%	11.09%	0.00	0.69	17.05	-2.34	14.75	1.03	Nov-09
HCAP Diversified Fund (US\$ Class)	0.02%	May-13	5.46%	10.93%	0.00	0.37	13.57	-4.38	10.91	-0.35	Nov-09
Kapstream Absolute Return Income Fund	0.36%	May-13	6.44%	0.90%	6.65	7.38	6.05	5.74	8.52	2.15	May-07
Pimco EQT Wholesale Global Bond Fund	-2.20%	May-13	8.18%	4.33%	-4.29	20.00	15.84	8.57	14.27	0.66	Jul-98
PIMCO Wholesale Diversified Fixed Interest Fund	-1.20%	May-13	7.47%	3.16%	2.76	14.61	12.32	9.80	11.57	1.28	May-99
Pimco Wholesale Emerging Markets Bond Fund	-5.16%	May-13	10.03%	9.70%	-18.70	35.14	20.24	8.12	19.75	-2.26	Oct-03
Pimco Wholesale Global Credit Fund	-1.11%	May-13	8.81%	3.39%	4.34	17.78	13.27	8.87	12.14	1.86	Dec-01
Pimco Wholesale Global Real Return Fund	1.31%	May-13	9.52%	5.96%	-2.48	17.54	11.34	17.06	12.54	5.47	Dec-03
QIC Global Fixed Interest Alpha Fund	1.20%	May-13	7.29%	6.00%	7.66	13.59	1.53	-7.16	12.90	3.18	Jul-05
Spectrum Wholesale Enhanced Income Fund	0.03%	Apr-13	0.42%	6.42%	-27.95	13.99	11.47	5.65	7.75	1.07	Apr-03
Supervised High Yield Fund	0.62%	May-13	11.81%	2.37%	0.00	8.69	15.92	8.19	13.04	3.31	Apr-09
Visium Credit Opportunities Fund	-0.17%	May-13	14.51%	5.33%	0.00	19.91	31.67	0.68	6.31	2.90	May-09
<b>Global Macro/Commodities/Futures/FX</b>											
90 West Global Basic Material Fund	-1.49%	May-13	8.17%	22.87%	-11.90	49.03	73.09	-27.62	4.48	-14.42	Jul-08
Apeiron Global Macro Fund - Class A	4.01%	May-13	8.54%	10.78%	19.55	-1.70	5.03	2.60	1.60	2.17	Feb-06
AQR Wholesale Managed Futures Fund	-2.46%	May-13	6.21%	14.74%	0.00	0.00	0.00	-5.30	7.71	11.70	Apr-11
Blackrock Global Allocation Fund (Class D)	2.04%	Apr-13	8.35%	9.74%	-42.23	46.86	23.88	-1.68	27.40	16.11	Jul-05
Blue Fin Compact Omega Program	2.27%	Apr-13	21.01%	25.02%	0.00	20.32	70.90	1.00	-5.98	3.06	Sep-09
GMO Systematic Global Macro Trust	4.35%	May-13	9.48%	10.73%	12.80	8.35	15.11	11.17	3.04	9.25	Nov-02
H3 Global Strategies Fund	-2.31%	May-13	-0.05%	7.06%	6.81	-4.20	-4.89	3.43	-1.97	1.10	May-08
HCAP Global Diversified Fund	0.03%	May-13	10.16%	10.16%	0.00	1.71	8.90	26.63	0.66	0.19	Nov-09
Kaiser Trading Fund	5.23%	May-13	4.86%	6.24%	8.35	-4.32	4.66	-5.83	-1.34	7.82	Apr-04
Kaiser Trading Fund 2x	10.15%	May-13	5.73%	11.18%	15.31	-7.78	9.84	-9.60	-2.85	16.48	Oct-06
Kohinoor Series Three Fund	0.80%	May-13	10.60%	11.90%	73.31	-1.85	0.44	4.66	-7.33	1.58	Jul-05
Macquarie Winton Global Alpha Fund	-0.87%	May-13	9.82%	8.56%	19.96	-3.51	15.89	10.32	-0.20	6.52	Dec-05
Man AHL Diversified (AUD)	-3.57%	May-13	5.53%	14.09%	35.10	-15.06	17.60	-2.90	-3.59	6.41	Jul-07
MGH Investment Fund Limited	-1.50%	May-13	1.13%	22.76%	-71.62	16.61	16.22	-3.96	7.05	9.83	Jan-03
TGM Global Macro AUD	0.17%	May-13	9.07%	6.05%	0.00	2.42	12.83	1.45	9.82	9.91	May-09
The 36 South Cullinan Fund (EUR)	-6.77%	May-13	-5.60%	22.40%	0.00	-5.69	2.32	6.55	-29.72	9.93	Jun-09
The 36 South Cullinan Fund (USD)	-6.67%	May-13	-10.72%	23.59%	0.00	0.00	0.00	1.91	-30.32	11.20	May-11
Whitehaven SPC Correlation Fund	1.40%	May-13	24.34%	4.87%	0.00	0.00	0.00	15.21	21.34	4.72	Sep-11
<b>Equity Income</b>											
Armytage Australian Equity Income Fund	-5.59%	May-13	2.44%	13.70%	-29.15	28.95	-3.77	-8.71	21.19	7.76	Aug-07
Armytage Strategic Opportunities - Retail Class	-4.54%	May-13	-2.30%	15.12%	-37.21	24.64	-1.10	-8.64	17.30	8.09	Aug-07
AUI Wingate Global Equity Fund	8.95%	May-13	6.55%	11.56%	-18.70	9.95	-4.34	4.62	15.90	15.88	Oct-05
Aurora Dividend Income Trust	-4.20%	May-13	7.68%	7.13%	10.69	-2.47	1.15	0.78	16.66	5.74	Nov-05
Aurora Global Income Trust	0.00%	May-13	3.71%	7.21%	-1.97	7.53	7.02	-2.54	6.43	4.33	Dec-07
Aurora Property Buy-Write Income Trust	-1.09%	May-13	0.44%	11.61%	-28.63	19.34	9.20	1.12	19.07	5.39	Jul-07
Colonial First State Wholesale Equity Income	-4.05%	May-13	5.37%	10.68%	-16.67	30.65	2.56	-5.09	16.40	5.78	May-08
Denning Pryce Equity Income Fund	-2.77%	May-13	5.97%	11.25%	-24.40	36.85	2.66	-4.90	17.06	5.05	May-06
Investors Mutual Equity Income	-2.30%	May-13	11.35%	6.67%	0.00	0.00	0.00	2.92	20.25	4.77	Jan-11
Northward Equity Income	1.84%	Apr-13	7.13%	5.78%	0.00	0.00	0.00	-0.95	20.74	10.17	Mar-11
Plato Australian Shares Market Neutral Fund	-0.26%	May-13	4.82%	5.01%	-2.70	-4.95	6.55	10.43	5.50	5.03	Jul-07
Zurich Global Equity Income Fund	5.93%	May-13	9.54%	6.33%	0.00	0.00	3.05	2.48	11.66	9.78	Aug-10
<b>Equity Long Only</b>											
Aberdeen Asian Opportunities Fund	6.73%	May-13	11.01%	13.01%	-29.24	31.23	13.38	-12.70	25.01	11.13	Oct-03
Aberdeen Emerging Opportunities Fund	3.75%	May-13	12.83%	14.14%	-27.03	40.96	13.01	-11.49	24.71	6.08	Jul-04
Allard Growth Fund	-0.90%	May-13	12.40%	12.91%	-28.83	49.38	19.98	-6.41	14.45	0.58	Dec-95
Allard Investment Fund	6.30%	May-13	9.08%	8.14%	-27.55	51.97	17.99	-13.19	27.23	16.35	Jul-03
Arnhem Australian Equity Fund	-2.25%	May-13	7.91%	11.75%	0.00	0.00	0.00	-9.95	17.34	13.76	Aug-00
Arnhem Concentrated Australian Equity Fund	-1.16%	May-13	7.96%	12.01%	0.00	0.00	0.00	-11.41	18.44	14.69	Dec-05
Aubrey Global Conviction Fund	2.80%	May-13	7.37%	11.55%	0.00	0.00	4.56	-11.61	19.16	11.74	Jul-10
Avenir Value Fund	8.40%	May-13	15.08%	12.66%	0.00	0.00	0.00	-3.50	13.27	18.36	Aug-11
Baker Steel Gold	-6.65%	May-13	5.49%	31.13%	-49.71	96.93	53.93	-26.95	-17.20	-43.97	Apr-03
Benelong Australian Equities Fund	-3.78%	May-13	16.74%	14.46%	0.00	46.25	7.05	-9.83	22.58	13.00	Jan-09
Benelong Avoca Emerging Leaders Fund	0.48%	May-13	3.01%	16.09%	0.00	0.00	0.00	-13.78	18.10	3.95	Jun-11
Benelong Concentrated Australian Equities Fund	-2.99%	May-13	18.56%	14.98%	0.00	47.62	8.12	-8.17	24.18	14.90	Jan-09
Benelong ex-20 Australian Equities Fund	-0.50%	May-13	13.29%	14.47%	0.00	14.02	28.73	-15.29	45.26	25.65	Nov-09
Blackrock International Gold Fund (Class D)	-14.78%	Apr-13	1.09%	28.57%	-28.88	21.70	23.84	-21.61	-10.87	-29.41	Dec-04
Clime Australian Value Fund	-4.20%	May-13	8.23%	13.81%	-32.22	61.48	6.21	0.63	19.21	2.80	Aug-06

Disclaimer: This table is provided as an information source only and should not be relied on when making investment decisions.

Fund Name	Last Reporting Month %	Last Reporting Month	Ann Return	Ann Std Dev	2008	2009	2010	2011	2012	YTD 2013	Inception Date
EIM Emerging Resources Company Share Fund	-12.80%	Apr-13	-12.51%	35.43%	-62.02	121.99	28.67	-38.14	-1.32	-25.99	Apr-06
Grant Samuel Epoch Global Equity Shareholder Yield (Hedged)	-0.86%	May-13	7.33%	12.89%	-26.88	19.07	16.07	10.51	11.63	14.27	May-08
Insync Global Titans Fund	4.84%	May-13	9.50%	8.41%	0.00	2.94	-7.65	16.85	32.82	26.47	Oct-09
Intelligent Investor Value Fund	2.65%	May-13	11.82%	13.61%	0.00	1.81	1.19	-8.55	31.20	20.73	Oct-09
Katana Australian Equities Fund	-5.11%	May-13	0.28%	14.14%	0.00	0.00	0.00	-9.61	10.86	0.33	Mar-11
Katana Capital Ltd	-4.54%	May-13	8.89%	16.35%	-49.07	70.78	8.98	-2.29	11.90	-3.19	Sep-05
Legg Mason Australian Real Income Fund	-2.12%	May-13	21.02%	7.45%	0.00	0.00	2.87	13.12	26.16	9.75	Dec-10
Lime Street Australian Resources Hi-alpha Fund	-8.97%	May-13	4.16%	31.50%	0.00	94.31	57.34	-31.29	-6.94	-39.16	Jun-08
Magellan Global Fund	10.06%	May-13	8.94%	12.09%	-2.66	6.60	2.43	9.80	18.32	25.20	Jul-07
Microequities Deep Value Microcap Fund	-0.91%	May-13	31.15%	16.49%	0.00	89.62	13.10	-2.94	35.44	9.80	Mar-09
OC Dynamic Equity Fund	-5.80%	May-13	11.57%	19.24%	-65.85	82.79	16.04	-16.98	43.07	4.49	Dec-00
OC Premium Equity Fund	-5.50%	May-13	10.16%	17.72%	-64.00	73.90	14.90	-14.78	42.55	4.10	Dec-00
Optimal Japan Absolute Long Fund	-5.74%	May-13	3.70%	15.66%	-22.96	0.39	16.65	-9.86	3.25	21.16	Sep-04
Pengana Australian Equities Fund	-1.30%	May-13	13.70%	10.56%	-12.57	40.86	8.76	0.85	23.87	12.34	Jul-08
Pengana Emerging Companies Fund	-2.50%	May-13	13.78%	18.66%	-53.83	70.00	15.88	-14.57	26.11	11.78	Nov-04
Perpetual Global Resources Fund - Class B	7.19%	May-13	8.03%	18.30%	0.00	51.81	17.38	-13.91	-5.47	-3.01	Dec-08
Perpetual Wholesale Industrial Fund	-4.60%	May-13	13.90%	11.71%	-73.54	75.38	-3.00	-5.28	52.51	25.91	Sep-06
Peters Macgregor Global Fund	6.90%	May-13	6.16%	14.31%	-38.39	32.62	17.95	-5.72	18.39	17.42	Sep-04
Platinum Unhedged Fund	8.09%	May-13	9.85%	12.74%	-20.64	30.77	8.05	-11.26	13.88	21.12	Jan-05
Platypus Australian Equity Fund	-4.50%	May-13	12.92%	15.89%	-44.93	46.51	0.01	-12.80	21.98	4.92	Dec-98
PM Capital Emerging Asia Fund	13.20%	May-13	19.42%	14.75%	33.03	40.15	2.06	-6.83	15.70	16.68	Jul-08
Premier Global Select Fund	-0.60%	May-13	4.67%	8.38%	-15.84	13.40	-4.64	-11.01	7.71	9.58	Oct-01
Prime Value Growth Fund	-4.70%	May-13	13.76%	16.47%	-31.50	31.18	3.43	-8.01	13.99	5.76	Apr-98
Prime Value Imputation Fund	-7.30%	May-13	12.44%	14.58%	-40.57	34.66	1.33	-8.01	14.65	4.94	Dec-01
Principal Global Opportunities Equity Fund	6.38%	May-13	24.75%	8.59%	0.00	0.00	0.00	0.00	15.28	18.65	Jan-12
Samuel Terry Absolute Return Fund	8.68%	May-13	10.62%	12.25%	-32.00	24.24	38.46	11.84	10.62	19.30	Nov-03
SGH 20	-1.69%	May-13	11.20%	17.55%	-66.30	75.58	7.00	-24.22	33.18	-1.25	Oct-04
SGH ICE	-1.44%	May-13	10.70%	17.24%	-47.28	77.59	3.48	-7.01	33.55	10.19	Feb-06
Solaris Core Aust Equity (Performance Fee Opt)	-3.73%	May-13	10.03%	13.41%	0.00	25.88	4.29	-9.32	15.94	8.78	Mar-09
The Supervised Fund	2.88%	May-13	4.95%	9.11%	-12.12	28.29	4.96	-7.47	12.77	6.04	Dec-07
Tribeca Australian Smaller Companies Fund	-4.62%	May-13	5.07%	16.40%	0.00	0.00	19.99	-13.96	17.01	-4.76	Aug-10
WAM Research Ltd	-2.50%	May-13	5.97%	10.85%	-34.49	29.28	2.02	-1.93	19.46	10.32	Aug-03
Wilson HTM Priority Core Fund	-1.83%	May-13	13.56%	12.78%	0.00	0.00	14.77	-9.86	24.83	13.40	Jun-10
Wilson HTM Priority Growth Fund	-1.86%	May-13	17.33%	23.34%	-41.82	104.22	17.82	-21.77	9.56	-1.01	Jul-05
<b>Equity Long Short</b>											
360NE Fund	5.46%	May-13	20.50%	4.07%	1.50	30.44	15.76	13.37	19.82	11.18	Dec-08
360NE Hedge Fund	6.88%	May-13	21.46%	9.17%	-10.81	32.71	14.81	19.16	25.01	14.30	Apr-06
360NE Offshore Portfolio	4.00%	May-13	18.46%	4.37%	17.69	26.52	15.63	10.61	15.21	7.83	May-08
8IP Asia Pacific Partners Fund	-1.36%	May-13	-3.64%	26.41%	0.00	0.00	23.78	-37.06	3.45	9.66	Feb-10
Agora Absolute Return Fund II	0.75%	May-13	9.73%	25.58%	-11.77	22.12	-3.41	24.91	31.60	-0.14	Dec-07
Antares High Growth Shares Fund	-4.00%	May-13	11.34%	13.50%	-32.86	43.10	2.01	-12.75	23.22	6.76	Dec-99
Arnhem Long Short Australian Equity Fund	-0.56%	May-13	9.62%	14.74%	-30.28	51.49	-1.44	-10.35	18.16	13.92	May-05
Auscap Long Short Australian Equities Fund	-4.05%	May-13	22.12%	14.17%	0.00	0.00	0.00	0.00	1.35	9.04	Dec-12
Australian Leaders Fund	0.51%	May-13	15.24%	15.56%	-36.12	96.93	6.41	-8.56	32.39	11.69	Jul-07
Bellwether Partners Offshore Strategies Fund	-4.23%	May-13	0.29%	15.89%	-39.39	29.02	-4.46	-20.70	11.59	6.24	Jul-05
Bennelong Kardinia Absolute Return Fund	0.40%	May-13	14.35%	8.00%	0.30	25.47	9.33	2.42	13.52	7.96	May-06
Blackrock Equitised Long Short Fund	-6.35%	May-13	13.82%	15.15%	-46.08	52.98	-1.15	2.91	25.43	6.41	Dec-01
Cadence Capital Limited	0.30%	May-13	16.18%	15.93%	-34.74	45.37	24.90	24.91	15.10	7.82	Oct-05
Evergreen Australian Equities Return Fund	-2.37%	May-13	7.14%	12.65%	0.00	0.00	32.13	17.99	-1.32	-19.60	May-10
First State Global Resources Long Short Fund	-8.08%	Apr-13	9.21%	16.35%	-23.58	26.07	47.11	-22.49	4.56	-17.06	Aug-04
HFA Octane 5 Fund	1.26%	Apr-13	0.98%	5.47%	-1.37	0.63	1.95	-2.14	1.47	4.29	Jun-08
Jaguar Australian Leaders Long Short Unit Trust	-0.24%	May-13	2.65%	18.23%	-33.97	82.39	-28.94	3.33	6.36	-0.58	Mar-03
JBS Investments International Advantage Fund	2.13%	May-13	27.98%	29.68%	0.00	0.00	0.00	37.41	-1.68	11.65	Sep-11
K2 Asian Absolute Return Fund	2.38%	May-13	11.19%	15.95%	-28.31	40.78	3.46	-20.82	22.42	12.48	Sep-99
K2 Australian Absolute Return Fund	-2.84%	May-13	12.89%	12.59%	-18.52	41.06	4.07	-12.22	15.77	11.21	Oct-99
K2 Select International Absolute Return Fund	4.06%	May-13	11.08%	11.76%	-22.42	31.89	8.93	-12.28	17.94	12.34	Jan-05
Kentgrove Capital Fund	-4.87%	May-13	16.13%	26.74%	0.00	0.00	67.65	8.03	12.81	-21.41	Apr-10
Kima Capital Pan Asian Fund (AUD Class)	1.56%	May-13	9.28%	8.14%	0.00	14.23	14.67	-2.32	1.78	8.70	Jul-09
Kima Capital Pan Asian Fund (USD Class)	1.35%	May-13	6.35%	8.49%	0.00	12.45	11.77	-5.39	-1.59	8.74	Jul-09
KIS Asia Long Short Cayman Fund	2.33%	May-13	7.93%	4.28%	0.00	0.00	0.00	0.00	3.20	3.92	Jul-12
KIS Asia Long Short Fund	3.00%	May-13	18.38%	6.08%	0.00	11.40	25.66	12.60	11.41	5.71	Oct-09
LHC Capital Australia High Conviction Fund	2.95%	May-13	17.99%	8.19%	0.00	0.00	0.00	4.92	21.46	10.77	May-11
Macquarie Alpha Opportunities Fund	-3.81%	May-13	5.51%	15.84%	-42.79	38.71	1.44	-14.39	15.00	5.82	Jun-05
Macquarie Asian Alpha Fund (Australian Fund)	-1.24%	May-13	13.27%	6.61%	-9.47	18.01	16.02	13.26	7.45	11.51	Oct-05
Macquarie Asian Alpha Fund (Cayman) - CI A USD	-1.42%	May-13	10.88%	6.32%	-8.94	14.17	10.29	9.07	4.42	10.81	Oct-05
Mathews Velocity Fund	-16.65%	Apr-13	7.98%	33.89%	8.65	62.29	37.98	-19.17	-47.65	-28.52	Jul-06
Monash Absolute Investment Fund	-1.10%	May-13	19.01%	6.04%	0.00	0.00	0.00	0.00	12.02	21.29	May-12
Morphic Global Opportunities Fund	6.77%	May-13	35.34%	7.37%	0.00	0.00	0.00	0.00	10.45	16.51	Aug-12
Nanuk Clean Energy fund	4.94%	May-13	1.92%	10.66%	0.00	0.00	0.00	-8.96	4.69	8.99	Jun-11
OC Concentrated Equity Fund	-4.40%	May-13	9.49%	21.59%	-58.00	155.87	31.92	-20.22	-0.48	-0.71	Nov-03
Optimal Australia Absolute Fund AUD	1.40%	May-13	3.72%	2.38%	0.00	0.00	0.00	4.41	3.69	-0.04	Sep-08
Optimal Australia Absolute Fund USD	1.14%	May-13	1.00%	2.62%	0.00	0.00	0.00	1.37	1.71	-0.98	Sep-08
Optimal Australia Absolute Trust	1.22%	May-13	11.48%	3.69%	5.00	23.81	13.64	8.07	4.55	0.41	Sep-08
Optimal Japan Fund USD	4.54%	Mar-13	5.52%	11.91%	-15.67	-8.94	4.53	-8.53	4.73	11.40	Oct-99
Pengana Global Resources Fund	5.10%	May-13	7.95%	19.56%	-32.86	53.06	30.07	-12.78	0.25	-7.45	Jan-07
Perpetual Industrial Share Fund	-4.67%	May-13	30.48%	11.02%	0.00	0.00	0.00	0.00	8.52	12.50	Dec-96
Perpetual Pure Equity Alpha Fund	3.12%	May-13	12.41%	3.70%	0.00	0.00	0.00	0.00	10.14	16.07	Mar-12
Perpetual Wholesale SHARE-PLUS Long-Short Fund	-0.31%	May-13	13.01%	12.93%	-69.12	71.95	19.17	-9.00	55.96	26.13	Mar-03
Platinum Asia Fund	7.77%	May-13	16.30%	14.61%	-58.67	79.95	8.68	-39.22	49.91	28.05	Mar-03
Platinum European Fund	9.67%	May-13	11.55%	16.92%	-50.01	56.29	18.24	-27.20	66.63	28.16	Jun-98
Disclaimer: This table is provided as an information source only and should not be relied on when making investment decisions.											

Fund Name	Last Reporting Month %	Last Reporting Month	Ann Return	Ann Std Dev	2008	2009	2010	2011	2012	YTD 2013	Inception Date
Platinum International Brands Fund	8.44%	May-13	13.15%	10.88%	-36.69	63.30	31.93	-18.19	52.18	27.62	May-00
Platinum International Fund	10.98%	May-13	12.82%	11.65%	-14.85	39.29	-9.76	-24.03	34.44	41.83	Apr-95
Platinum International Technology Fund	9.11%	May-13	7.60%	17.93%	-29.52	61.90	-6.78	-14.08	10.87	38.31	May-00
Platinum Japan Fund - AUD	7.11%	May-13	15.39%	17.49%	-15.54	18.11	25.71	-23.67	33.57	81.80	Jun-98
PM CAPITAL Absolute Performance Fund AUD	15.00%	May-13	6.99%	20.54%	-43.19	32.03	-0.67	-19.68	41.63	26.94	Oct-98
PM CAPITAL Australian Opportunities Fund AUD	1.40%	May-13	10.92%	15.60%	-47.79	60.68	8.32	-15.24	21.61	19.82	Jan-00
QAM Global Equities Fund	-7.86%	May-13	9.95%	18.59%	0.39	6.40	17.04	-23.46	-6.12	1.24	Apr-04
Regal Asian Pearl Fund	-3.06%	May-13	2.22%	6.70%	0.00	0.00	0.00	-2.18	1.49	5.82	Mar-11
Regal Asian Quantitative Fund	1.87%	May-13	7.94%	12.09%	0.00	7.38	12.00	-17.49	21.94	10.79	Aug-09
Regal Atlantic Absolute Return Fund	-12.44%	May-13	37.36%	38.84%	-68.21	191.66	106.74	-14.81	2.31	-1.50	Apr-04
Regal Natural Resources Fund	-1.17%	May-13	-14.13%	21.41%	0.00	0.00	0.00	-24.69	12.27	-10.54	Aug-11
SGH Absolute Return Trust (Retail)	-5.51%	May-13	3.93%	12.93%	-33.24	-5.88	-3.71	-20.08	16.34	2.06	Oct-01
SGH Absolute Return Trust (Wholesale)	-5.34%	May-13	5.59%	12.72%	-32.91	-5.47	-3.17	-16.94	18.08	2.66	Oct-01
Smallco Investment Fund	3.73%	May-13	13.85%	19.00%	-53.71	54.07	10.61	-5.99	67.66	18.20	Oct-00
Totus Alpha Fund	1.84%	May-13	18.65%	10.83%	0.00	0.00	0.00	0.00	4.17	17.19	Apr-12
Visium Institutional Partners Fund	2.63%	May-13	6.17%	6.28%	0.00	0.00	-1.61	1.28	5.73	13.59	Jun-10
WAM Active Ltd	-3.00%	May-13	10.87%	10.25%	-9.62	61.05	6.25	-0.31	6.89	6.09	Jan-08
WAM Capital Ltd	-2.70%	May-13	17.37%	11.17%	-32.17	50.82	16.43	-1.44	12.38	8.15	Aug-99
WaveStone Australian Equity Long/Short Fund	-0.18%	May-13	13.01%	11.08%	0.00	27.46	-0.67	-6.59	21.67	12.20	Jul-09
WaveStone Capital Absolute Return Fund	-0.14%	May-13	11.63%	11.34%	-20.71	37.19	1.13	-5.50	21.72	12.76	Sep-06
<b>Market Neutral Equity</b>											
Aurora Fortitude Absolute Return Fund	0.78%	May-13	8.26%	2.83%	12.38	6.01	4.33	3.83	4.23	3.53	Feb-05
Benelong Long Short Equity Fund	9.49%	May-13	21.03%	12.27%	11.95	23.64	12.71	20.60	9.20	10.45	Jan-03
BlackRock Australian Equity Market Neutral Fund	-2.12%	May-13	12.01%	5.73%	-7.21	15.68	1.60	23.91	10.55	-0.39	Aug-01
First State Global Equity Market Neutral Fund	0.05%	May-13	4.87%	5.05%	0.00	0.00	0.00	10.86	-1.69	1.71	Apr-11
Merricks Capital Long Short Equity Strategy	-2.31%	May-13	8.06%	6.09%	9.28	8.00	12.35	7.19	6.52	0.52	Jan-08
Pengana Australian Equities Market Neutral Fund	-1.70%	May-13	8.27%	7.85%	3.39	6.80	12.60	17.11	-5.90	6.46	Sep-08
Regal Amazon Market Neutral Fund	1.02%	May-13	17.71%	12.27%	-8.26	38.61	21.87	11.71	1.76	-0.10	Jun-05
Regal Tasman Market Neutral Fund	1.74%	May-13	20.52%	13.28%	-9.80	50.65	33.23	29.28	1.76	0.89	May-07
<b>Multi Strategy</b>											
AQR Wholesale DELTA Fund	1.90%	Apr-13	6.00%	3.01%	0.00	0.47	9.63	2.51	5.53	1.90	Sep-09
Certitude Asian Opportunities Fund	5.48%	May-13	10.21%	9.37%	0.00	0.00	6.36	-7.97	12.96	17.20	Oct-10
Octis Asia Pacific Fund	1.49%	May-13	5.04%	5.33%	-7.51	22.33	3.47	3.61	3.19	5.67	Oct-07
Perpetual Diversified Real Return Fund	1.29%	May-13	8.98%	3.70%	0.00	0.00	0.69	3.35	13.38	5.84	Oct-10
Visium Global Fund	1.83%	May-13	26.41%	11.20%	4.54	113.33	20.05	1.75	19.60	6.55	Oct-07
<b>Specialist</b>											
Magellan Infrastructure Fund	-1.56%	May-13	4.96%	14.29%	-34.06	24.19	11.76	11.23	15.12	10.72	Jul-07
Plato Australian Shares Core Fund	-4.69%	May-13	3.35%	15.96%	-40.94	34.95	2.69	-9.70	19.63	9.33	Oct-06
SGH Wholesale Property Income Fund	-4.76%	May-13	-3.03%	28.25%	-70.54	48.64	-2.00	9.40	29.68	7.16	Nov-05
<b>Hedge Fund of Funds</b>											
<b>Global Macro</b>											
FRM Sigma Fund Limited - Class A	-3.76%	May-13	7.81%	14.58%	33.26	-10.20	17.58	-5.26	-6.04	4.77	Nov-05
<b>Long/Short Equity</b>											
ANZ Discovery Asia Fund	0.21%	May-13	-1.28%	7.90%	-26.03	-1.96	6.49	12.90	6.62	0.99	Jun-08
Apostle Aurora Hedged Equity Offsh Fund - USD CI	-0.82%	Apr-13	3.65%	8.29%	-28.83	21.20	6.52	-8.51	7.53	4.97	Jun-04
AWJ Global Sustainable Offshore Fund	2.80%	May-13	-0.79%	5.06%	0.00	0.00	0.90	-7.25	-1.54	5.78	Mar-10
Fauchier Partners Absolute Equity Trust	1.30%	Apr-13	5.92%	5.12%	0.00	0.00	7.52	-2.03	8.29	6.21	Dec-09
HFA Octane Global Asia Fund	0.47%	May-13	-0.45%	10.35%	-26.28	3.80	2.70	5.65	10.27	2.49	Jun-07
HFA Octane Global Europe Fund	0.47%	May-13	-0.03%	8.00%	-25.98	1.48	7.71	9.47	10.27	2.49	Jun-07
HFA Octane Global US Fund	0.46%	May-13	-0.55%	8.28%	-25.46	0.98	7.16	6.77	10.14	2.43	Jun-07
LHP Global Long/Short Fund (Retail)	1.20%	May-13	6.40%	4.97%	-5.32	6.81	7.77	1.08	8.62	9.21	Apr-01
LHP Global Long/Short Fund (Wholesale)	1.22%	May-13	6.48%	4.95%	-4.76	8.17	8.10	1.34	8.93	9.29	Apr-01
<b>Multi Strategy</b>											
Access SRA Fund - SRA 16 Portfolio	4.23%	May-13	15.21%	18.09%	51.80	7.87	14.75	18.50	-13.86	13.86	Nov-07
Access SRA Fund - SRA 4 Portfolio	1.54%	May-13	5.23%	4.01%	6.69	6.17	8.62	7.72	-1.59	1.92	Nov-07
Access SRA Fund - SRA 9 Portfolio	1.04%	May-13	6.91%	4.68%	-1.67	16.62	10.26	1.15	5.75	7.26	Nov-07
AFM Prism Active Equity Fund	1.66%	May-13	4.21%	2.53%	0.00	0.00	0.00	0.00	2.06	0.72	Oct-12
BlackRock Multi Opportunity Fund	1.69%	Apr-13	9.09%	4.24%	-2.57	11.67	12.40	15.47	12.11	3.77	Jul-04
BT Total Return Fund	-0.19%	May-13	4.85%	2.98%	-8.62	9.84	3.12	1.91	1.46	1.48	Jan-01
Dexia Alpha Dynamic Fund	0.99%	Apr-13	6.34%	3.27%	0.00	0.00	2.56	2.65	5.20	5.28	Nov-10
Everest Alternative Investment Trust	0.00%	Apr-13	-1.30%	11.24%	-41.03	6.18	5.67	-1.41	3.31	1.89	Apr-05
Fauchier Partners Absolute Return Trust	1.49%	Apr-13	4.51%	5.97%	-12.87	17.53	5.95	-1.29	7.61	6.75	Sep-07
GMO Multi Strategy Trust	0.57%	May-13	5.37%	4.63%	10.66	-1.57	1.76	11.71	8.54	5.06	Nov-02
HFA Octane Asia Fund	0.39%	May-13	0.08%	9.10%	-38.72	1.45	7.93	8.23	9.42	1.76	Jul-06
HFA Octane Fund Series 2	0.27%	May-13	-0.34%	8.36%	-36.61	2.27	6.58	8.53	4.48	1.17	Jul-05
Ironbark Global Diversified Alternatives Fund	1.35%	May-13	4.11%	5.64%	-23.64	8.58	3.64	-0.39	-0.55	4.17	Nov-99
LHP Diversified Investments Fund (Retail)	0.49%	May-13	4.79%	6.44%	-29.09	18.75	6.04	2.06	10.49	4.75	Apr-01
LHP Diversified Investments Fund (Wholesale)	0.51%	May-13	4.95%	6.36%	-28.79	19.12	6.41	2.28	10.80	4.88	Apr-01
Liongate Multi-Strategy Fund - Class A (USD)	1.40%	May-13	6.44%	5.89%	-9.99	8.48	4.94	-7.89	0.95	1.13	Apr-04
MCG K2 Alternative Investment Fund	1.12%	Apr-13	11.42%	2.82%	0.00	0.00	0.00	0.00	1.64	5.74	Sep-12
MCG Multi-Asset Endowment Fund	0.97%	May-13	5.22%	6.97%	-11.53	18.06	8.92	0.02	9.88	5.98	Sep-12
NWQ Diversified Fund	3.16%	May-13	3.85%	6.63%	0.00	0.00	4.83	13.30	-6.05	1.65	Jan-10
Select Alternatives Portfolio	0.45%	May-13	6.04%	7.19%	-15.60	12.72	11.75	-3.60	2.32	1.05	Jul-03
Select Defensive Portfolios	0.88%	May-13	6.14%	5.69%	-16.18	13.26	8.94	-2.16	7.75	0.63	Dec-02
Select Growth	0.76%	May-13	7.06%	8.78%	-26.78	25.29	13.59	-6.87	7.86	0.07	Dec-02
Select Listed Investments	0.29%	May-13	4.99%	17.76%	-50.72	43.63	7.55	-0.56	13.38	3.08	Apr-05
Signature Capital Investments	2.60%	May-13	-7.69%	22.50%	-74.26	35.57	-5.28	-5.91	4.10	3.41	Dec-05
Van Eyk Blueprint Alternatives Plus	0.00%	May-13	2.84%	8.66%	-18.69	17.77	8.20	2.40	5.13	-0.68	Nov-06

The information in these tables is provided by Australian Fund Monitors Pty Limited from sources believed to be correct at the time of publication. For up to date details of all Funds visit [www.fundmonitors.com](http://www.fundmonitors.com)