

# INFOHEDGE QUARTERLY

March Quarter 2003

## INFOHEDGE TOP PERFORMERS

March Quarter	
OM Strategic- IP 220 Limited Fund	6.9%
1 Year	
OM Strategic- IP 220 Limited Fund	31.4%
2 Year*	
K2 Australian Absolute Return Fund	18.1%
3 Year*	
OM Strategic- IP 220 Limited Fund	19.9%
Risk/Return	
Vertex Capital Management Relative Value Fund	

\*Annualised returns to March 2003

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## 1. Industry Overview

The March quarter 2003 was favourable for Australian hedge funds, which experienced inflows of \$854.7 million, increasing the size of the hedge funds sector by 12.5 percent to reach \$7.7 billion in funds under management (FUM). The sector was quite concentrated with the largest two managers OM Strategic (\$3.0 billion), and Grinham Managed Funds (\$1.5 billion) accounting for almost 60 percent of the market. The largest 10 hedge fund managers accounted for a total of 83.2 percent of the industry.

OM Strategic is the largest manager, sourcing the majority of its funds from the retail sector, although it is now looking to move into the institutional space. OM Strategic experienced the largest inflows during the quarter, increasing its FUM by \$300.0 million (increase of 11.1 percent). Grinham Managed Funds, which run managed futures, gained the second most funds during the quarter increasing its FUM by \$158.0 million (increase of 12.2 percent).

Barclays Global Investors was the third largest manager in the Australian market with \$301.0 million and a 3.9 percent market share. All of BGI's funds were in its Equity Market Neutral Fund. Barclays increased its FUM during the quarter with net inflows of \$31.0

million, including major mandates awarded by Australian Retirement Fund (ARF), worth \$25 million, and SA Metropolitan Fire Services, worth \$12 million.

FRM Investment management was the next largest manager with \$267.0 million, with \$157.0 of this million managed in its FRM Diversified Series Fund via the FRM Australia Diversified Fund. FRM experienced the third largest inflows during the quarter, increasing its FUM by \$97.0 million. The bulk of this increase came from awards from Australian Retirement Fund (ARF) (\$40 million) and CARE Super (\$20 million). Basis Capital had the fourth largest quarterly inflows with \$38.2 million, increasing its FUM by 65.9 percent to \$96.2 million.

Optimal Fund Management was the fifth largest manager at the end of March with \$250.0 million, while Deutsche Asset Management came next with FUM of \$248.0 million. Deutsche experienced net outflows of \$10.2 million during the quarter despite being granted the first hedge fund mandate awarded by one of Australia's largest master fund providers, Asgard.

**Table 1: Largest 20 Hedge Fund Managers in Australia**

Fund Name	March Quarter 2003				Net Funds Flows	
	Australian Sourced FUM/Advisory (\$m)	Market Share	Ranking		Quarter (\$m)	Quarter (%)
			March	(Dec)		
OM Strategic Investments Limited	3,000.0	38.90%	1	(1)	300.0	11.1%
Grinham Managed Funds Pty Ltd	1,458.0	18.91%	2	(2)	158.0	12.15%
Barclays Global Investors Australia Limited	301.0	3.90%	3	(3)	31.0	11.48%
FRM Investment Management	267.0	3.46%	4	(10)	97.0	57.06%
Optimal Fund Management	250.0	3.24%	5	(5)	20.0	8.70%
Deutsche Asset Management	248.0	3.22%	6	(4)	-10.2	-3.95%
PM Capital	242.5	3.14%	7	(9)	69.6	40.25%
Colonial First State Investments	231.9	3.01%	8	(7)	31.6	15.78%
Absolute Capital Group	230.0	2.98%	9	(6)	13.0	5.99%
Portfolio Partners Limited	187.8	2.44%	10	(8)	-7.2	-3.69%
BT Financial Group	160.0	2.07%	11	(11)	-5.0	-3.03%
Everest Capital Limited	145.0	1.88%	12	(12)	15.0	11.54%
Hedge Funds Ltd	132.1	1.71%	13	(14)	33.5	33.98%
Lazard Asset Management Pacific Co	97.8	1.27%	14	(15)	0.2	0.20%
Basis Capital	96.2	1.25%	15	(19)	38.2	65.86%
Harris Associates	91.7	1.19%	16	(13)	-8.0	-8.02%
AXA Investment Managers	79.0	1.02%	17	(18)	11.9	17.75%
Warakirri Asset Management	72.1	0.93%	18	(17)	2.1	3.00%
Kaiser Trading Group Pty. Ltd.	72.0	0.93%	19	(16)	1.0	1.41%
K2 Asset Management	63.5	0.82%	20	(21)	13.3	26.49%
<i>Sub Total</i>	<i>7,425.6</i>	<i>96.29%</i>			<i>805.0</i>	<i>12.16%</i>
<i>Other Managers</i>	<i>286.3</i>	<i>3.71%</i>			<i>49.7</i>	<i>21.09%</i>
<b>Total</b>	<b>7,711.9</b>	<b>100.00%</b>			<b>854.7</b>	<b>12.47%</b>

Source: InvestorInfo Research

Major allocations during the quarter came from the \$4 billion Australian Retirement fund, which directed \$90 million to three hedge funds (FRM, West AM, and Barclays). The \$3 billion Sunsuper fund allocated \$30 million equally between Colonial First State and Hedge Funds of Australia Ltd. SA Metropolitan Fire Service SF (\$130 million) awarded \$12 million mandates to both Coastal Capital and Barclays, and \$5 million to

Warakirri Asset Management, totalling \$29 million. Other allocations were also awarded to Grosvenor Capital Management (BT Financial Group) by Print Super (\$18 million), Vertex Capital Management by CitySuper (\$6 million), BT Financial Group by Nissan Super fund (\$1.6 million), and Coastal Capital by SMART.

**Table 2: Hedge Fund mandates awarded during the March quarter 2003**

Fund Name	Fund Type	Manager Name	Mandate Value (\$m)	Asset Consultant
Australian Retirement Fund	Industry	FRM Investment Management	40.0	JANA Investment Advisers
Australian Retirement Fund	Industry	Barclays Global Investors	25.0	JANA Investment Advisers
Australian Retirement Fund	Industry	WestAM	25.0	JANA Investment Advisers
CARE	Industry	FRM Investment Management	20.0	JANA Investment Advisers
Print Super	Industry	Grosvenor (BT Financial Group)	18.0	Mercer IC
Sunsuper	Industry	Colonial First State	15.0	Sovereign Investment Research
Sunsuper	Industry	Hedge Funds Ltd	15.0	Sovereign Investment Research
SA Metropolitan Fire Service	Government	Barclays Global Investors	12.0	Aon Consulting
SA Metropolitan Fire Service	Government	Coastal Capital	12.0	Aon Consulting
CitySuper	Corporate	Vertex Capital Management	6.0	Mercer IC
SA Metropolitan Fire Service	Government	Warakirri Asset Mgmt	5.0	Aon Consulting
Nissan SP	Corporate	BT Financial Group	1.6	Watson Wyatt
ASGARD	Masterfund	Deutsch Asset Management	-	
SMART	Industry	Coastal Capital	-	Aon Consulting

Source: InvestorSupermarket

The largest hedge fund in the industry was OM Strategic's IP 220 Limited, which is in its 12<sup>th</sup> series and has \$1.1 billion FUM. BGI's long/short Equity Neutral Fund was the next largest fund with \$301.0 million, only one of three long/short funds in the top 10. FRM's Diversified Series Fund was the third largest fund, and second largest fund-of-fund hedge fund in the market with \$267.0 million. Deutsche's Stategic Value Fund was ranked fourth largest with \$230 million FUM.

OM Strategic's fund gained the most money during the quarter, increasing FUM by \$100 million. FRM's Diversified Series Fund was next, raising \$97.0 million via its Australia Diversified Fund, which grew by 161.7 percent and jumped from the 15<sup>th</sup> largest fund to the 6<sup>th</sup> largest. Other significant inflows were experienced by: Basis Capital's Pac-Rim Opportunity Fund (\$38.2

million); HFA's Diversified Investments Trust (\$34.4 million); PM Capital's Australia Opportunities Fund (\$32.7 million); and BGI's Equity Market Neutral Fund (\$31.0 million).

Flows during the quarter were primarily directed towards the larger managers with the top 10 managers receiving \$702.8 million or 82 percent of inflows. Excluding the largest two managers, the other managers in the top 10 experienced combined inflows of \$244.8 million, while the next 10 managers, ranked 11-20, gained \$102.2 million.

Overall, 65 percent of the hedge funds tracked by InvestorInfo recorded positive inflows during the March quarter.

Table 3: Largest 20 Hedge Funds in Australia

Fund Name	Strategy Description	March Quarter 2003			Net Funds Flows		
		Australian Sourced FUM/Advisory (\$m)	Market Share	Ranking		Quarter (\$m)	Quarter (%)
				March	(Dec)		
OM Strategic -IP 220 Limited	Fund-of-funds	1,100.0	14.26%	1	(1)	100.0	10.0%
BGI Equity Market Neutral Fund	Long/Short	301.0	3.90%	2	(2)	31.0	11.5%
FRM Diversified Series Fund	Fund-of-funds	267.0	3.46%	3	(5)	97.0	57.1%
Deutsche Strategic Value Fund	Fund-of-funds	230.0	2.98%	4	(3)	-11.1	-4.6%
Portfolio Partners High Growth Shares Trust	Long (bias)/Short	187.8	2.44%	5	(4)	-7.2	-3.7%
FRM Australia Diversified Fund	Fund-of-funds	157.0	2.04%	6	(15)	97.0	161.7%
PM Capital Absolute Performance Fund	Long/Short	150.7	1.95%	7	(6)	10.7	7.6%
Absolute Capital The Absolute Return Fund	Fund-of-funds	112.6	1.46%	8	(7)	-2.4	-2.1%
BT Financial Group- Global Return Fund	Fund-of-funds	100.0	1.30%	9	(9)	10.0	11.1%
Basis Pac-Rim Opportunity Fund	Arbitrage	96.2	1.25%	10	(16)	38.2	65.9%
Grinham Diversified Fund	Managed Futures	93.7	1.22%	11	(17)	37.2	65.8%
Harris Associates- Aurora Offshore Fund	Fund-of-funds	91.7	1.19%	12	(8)	-8.0	-8.0%
Colonial Global Diversified Strategies Fund	Fund-of-funds	90.7	1.18%	13	(10)	13.2	17.0%
HFA Diversified Investments Fund	Fund-of-funds	84.7	1.10%	14	(19)	34.4	68.4%
Everest Global Growth Fund	Fund-of-funds	72.9	0.95%	15	(11)	-2.1	-2.8%
Warakiri Absolute Return Fund	Fund-of-funds	72.1	0.93%	16	(14)	2.1	3.0%
Kaiser Trading Group	Managed Futures	72.0	0.93%	17	(13)	1.0	1.4%
PM Capital Australian Opportunities Fund	Long/Short	69.9	0.91%	18	(20)	19.9	39.8%
BT Financial Group- Total Return Fund	Fund-of-funds	60.0	0.78%	19	(12)	-15.0	-20.0%
BluePeak Long Short Australia Fund	Long/Short	50.0	0.65%	20	(18)	-3.0	-5.7%
Vertex Capital Mgmt Relative Value Fund	Long/Short	50.0	0.65%	20	(27)	22.0	78.6%
Eclectic Australia Fund	Multi-strategy	50.0	0.65%	20	(28)	30.0	66.7%

<sup>1</sup> The total FUM for the FRM Diversified Series Fund includes the \$157.0 million from the FRM Australia Diversified Fund  
Source: InvestorInfo Research

## Inaugural Annual Hedge Funds Report 2003

Investorinfo is pleased to announce the launch of our **INAUGURAL ANNUAL HEDGE FUND REPORT** - the most comprehensive resource available on the local hedge fund industry.

240 pages covering:

- 39 Australian hedge fund managers
- 70 funds and their key strategies
- Month-by-month raw performance and risk-adjusted performance data
- Key personnel
- Manager service providers
- Investment mandates
- Industry growth and decline

The report is supported by the Alternative Investment Management Association (AIMA) and UBS.



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## 2. Hedge Fund Performance to March 2003

**Table 4: Best Performing Fund-of-Funds Managers during the March quarter 2003**

Rank	Fund Name	Australian Sourced FUM/ Advisory (\$m)	Fund Performance to 31/3/03			
			March Qtr	1 year	2 year <sup>1</sup>	3 year <sup>1</sup>
1	OM Strategic- IP 220 Limited	1,100.0	6.9%	31.4%	10.3%	19.9%
2	Gottex Market Neutral Fund	15.0	4.0%	11.7%	8.7%	9.9%
3	Colonial Relative Value Share Strategies Fund	31.7	3.5%	9.7%	-	-
4	Colonial Wholesale Fixed Interest Strategies Fund	21.5	3.3%	9.9%	-	-
5	Deutsche Strategic Value Fund	230.0	3.3%	0.3%	3.7%	2.5%
6	HFA Diversified Investments Fund	84.7	2.8%	8.3%	6.5%	-
7	Absolute Capital- Event Strategies Fund	16.6	2.6%	5.9%	7.1%	5.5%
8	FRM Australia Diversified Fund <sup>2</sup>	157.0	2.5%	-	-	-
9	Colonial Global Diversified Strategies Fund	90.7	2.3%	7.7%	-	-
10	HFA Conservative Investments Fund	14.4	2.3%	5.5%	3.8%	-
11	Harris Associates- Aurora Offshore Fund	91.7	2.3%	3.0%	4.7%	8.4%
12	BT Financial Group - Global Return Fund	100.0	2.3%	4.9%	-	-
13	Momentum All Weather (AS) Abs. Return Fund	14.0	2.0%	5.7%	-	-
14	FRM Diversified Series Fund	267.0	2.0%	6.5%	6.7%	9.7%
15	Lazard Diversified Strategies, PLC	49.6	2.0%	9.3%	-	-
16	BT Financial Group - Total Return Fund	60.0	2.0%	6.0%	5.6%	-
17	Absolute Capital Relative Value Strategies Fund	28.4	1.6%	6.1%	-1.4%	1.7%
18	Colonial Wholesale Long Short Strategies Fund	45.6	1.5%	-0.7%	-	-
19	Alliance- New Horizons Absolute Return Fund	46.1	1.3%	2.1%	-	-
20	AXA-Wholesale Global Diversified Hedge Fund	32.9	1.3%	2.5%	-	-
<b>Fund of Funds</b>		<b>Average</b>	<b>1.8%</b>	<b>5.5%</b>	<b>4.8%</b>	<b>7.8%</b>
		<b>Median</b>	<b>2.0%</b>	<b>5.5%</b>	<b>5.4%</b>	<b>6.7%</b>
<b>Total Hedge Funds</b>		<b>Average</b>	<b>1.3%</b>	<b>5.4%</b>	<b>5.5%</b>	<b>7.2%</b>
		<b>Median</b>	<b>1.7%</b>	<b>5.8%</b>	<b>5.6%</b>	<b>6.9%</b>

<sup>1</sup> Compound annual rates of return

<sup>2</sup> FRM Australia Diversified Fund has been in existence less than 12 months (5 months)

Source: InvestorInfo Research

The average return for fund-of-fund managers during the March quarter was 1.8 percent, slightly higher than the average return for the industry as a whole.

The best performing fund-of-fund hedge fund during the March quarter was OM Strategic's OM IP 220 Limited Fund, returning 6.9 percent, bringing its annualised return for the 12 months to March to an impressive 31.4 percent.

Managing Director of OM Strategic, John Morrison, said the good performance could be put down to diversification, with the fund invested across more than 100 international markets and 90 specialised international fund managers. The OM IP 220 Limited Fund is managed by Man Investment Products in the UK, which has US\$21 billion FUM.

The Gottex Market Neutral fund was the next best performer with 4.0 percent, followed by two Colonial funds, their Relative Value Shares and Fixed Interest funds with 3.5 percent and 3.3 percent respectively.

During the 12 months to March, the average fund-of-fund hedge fund return was 5.8 percent, with OM Strategic leading the way with 31.4 percent followed by FRM's Australia Diversified Fund (14.3 percent), and Gottex Market Neutral Fund (11.7 percent).

Over the past three years the average fund-of-fund has recorded an annualised returned of 7.8 percent, again with OM Strategic and Gottex leading the way returning 19.9 percent and 9.9 percent respectively.

**Table 5: Best Performing Single Strategy Hedge Fund Managers during the March Quarter**

Rank	Fund Name	Strategy Description	Australian Sourced FUM/Advisory (\$m)	Fund Performance to 31/3/03			
				March Qtr	1 year	2 year <sup>1</sup>	3 year <sup>1</sup>
1	Rubicon Asia Fund <sup>2</sup>	Long/Short	5.7	5.3%	-	-	-
2	BGI Equity Market Neutral Fund	Long/Short	301.0	4.7%	17.7%	-	-
3	Optimal Japan Trust	Long/Short	5.8	4.2%	-1.8%	-0.1%	1.6%
4	Vertex Capital Management Relative Value Fund	Long/Short	50.0	4.1%	27.5%	14.5%	12.2%
5	FX Concepts Currency Fund Ltd	Absolute return	30.0	3.4%	20.9%	5.7%	6.1%
6	Basis Aust-Rim Opportunity Fund	Arbitrage	21.8	3.1%	10.3%	13.2%	-
7	K2 Australian Absolute Return Fund	Long/Short	9.1	2.8%	6.0%	18.1%	14.2%
8	Basis Pac-Rim Opportunity Fund	Arbitrage	96.2	2.8%	9.3%	12.9%	-
9	St Helens Capital- AILSA Fund	Long/Short	4.0	1.9%	12.9%	-	-
10	Austral Equity Underwriting Fund	Event-driven	10.8	1.8%	6.7%	11.2%	6.0%
11	PM Capital Enhanced Yield Fund	Long/Short	33.1	1.6%	7.7%	-	-
12	Rubicon M&A Fund	Arbitrage	21.4	1.1%	11.2%	-	-
13	Challenger- BluePeak Long/Short Australia Fund	Long/Short	50.0	0.2%	2.3%	-	-
14	K2 Asian Absolute Return Fund	Long/Short	29.0	0.1%	-1.4%	6.9%	7.1%
15	PM Capital Absolute Performance Fund	Long/Short	150.7	-1.2%	-22.0%	-9.2%	-2.1%
16	Lazard Global Opportunities Fund	Long/Short	48.2	-1.7%	5.0%	-	-
17	HFA Australian Shares Long Short Fund	Long/Short	21.0	-2.7%	-9.9%	-2.6%	-0.6%
18	Portfolio Partners High Growth Shares Trust	Long (bias)/Short	187.8	-5.1%	-13.9%	3.8%	11.2%
19	PM Capital Australian Opportunities Fund	Long/Short	58.7	-5.8%	-10.7%	2.6%	7.2%
20	TGM Eagle Fund	Global Macro	5.9	-11.8%	3.2%	-	-
<b>Single Strategy</b>			<b>Average</b>	<b>0.4%</b>	<b>4.3%</b>	<b>6.4%</b>	<b>6.3%</b>
			<b>Median</b>	<b>1.7%</b>	<b>6.0%</b>	<b>6.3%</b>	<b>6.6%</b>
<b>Total Hedge Funds</b>			<b>Average</b>	<b>1.3%</b>	<b>5.4%</b>	<b>5.5%</b>	<b>7.2%</b>
			<b>Median</b>	<b>1.7%</b>	<b>5.8%</b>	<b>5.6%</b>	<b>6.9%</b>

<sup>1</sup> Compound annual rates of return

<sup>2</sup> Rubicon Asia Fund has been in existence less than 12 months (6 months)

Source: InvestorInfo Research

With an average return of 0.4 percent, single strategy hedge funds performed somewhat worse than fund-of-funds during the March quarter.

Although it has a very short history, Rubicon's long/short Asia Fund was the best performing single strategy fund, returning 5.3 percent and outperforming the median manager by 3.6 percent.

Rubicon's philosophy is that the Asian markets are inefficient, and that positive returns can be achieved by identifying individual stocks that are inappropriately priced and reducing the overall market risk through index futures. Rubicon's strategy was successful during the March quarter, targeting individual stocks in China, Korea, and Singapore, whilst hedging out negative factors affecting the Asian region such as the SARS outbreak and the tension in North Korea.

The next best performing funds were three other long/short funds, BGI's Equity Market Neutral Fund, Optimal's Japan Trust, and Vertex's Relative Value Fund, which all returned more than 4 percent during the quarter.

Vertex's Relative Value Fund, which was the best performing manager during the December quarter, was number one in the 12 months to March, returning 27.5 percent. Following behind were FX Concepts (20.9 percent), and BGI's Equity Market Neutral Fund with 17.7 percent.

Over the past three years, K2's Australian Absolute Return Fund was the best performing single strategy fund returning an average of 14.2 percent per annum. The average single strategy return was 6.3 percent per annum.

**Table 6: Best Performing Managed Futures Fund Managers during the March Quarter**

Rank	Fund Name	Strategy Description	Australian Sourced FUM/Advisory (\$m)	Fund Performance to 31/3/03			
				March Qtr	1 year	2 year <sup>1</sup>	3 year <sup>1</sup>
1	Grinham Diversified Fund	Managed Futures	93.7	1.2%	19.7%	-	-
2	Kaiser Trading Group	Managed Futures	72.0	1.2%	9.0%	5.2%	10.6%
3	Obno CTA	Managed Futures	1.1	-7.3%	-1.1%	11.9%	-
4	Ebisu Diversified Futures	Managed Futures	0.7	-7.8%	9.3%	19.2%	-
<b>Total Managed Futures</b>			<b>Average</b>	<b>-3.2%</b>	<b>9.2%</b>	<b>12.1%</b>	<b>10.6%</b>
			<b>Median</b>	<b>-3.0%</b>	<b>9.2%</b>	<b>11.9%</b>	<b>10.6%</b>

<sup>1</sup> Compound annual rates of return  
Source: InvestorInfo Research

Vertex Capital Management's Relative Value Fund was the best performing hedge fund on a risk/reward basis, earning 27.5 percent in the 12 months to March 2003, with a volatility of 3.1 percent (which was the median volatility for the industry) to record a Sharpe ratio of 7.37, well above the average Sharpe ratio of 0.38.

The Vertex fund is an actively managed long/short equity fund investing in large cap Australian equities, which aims to produce returns significantly better than the cash rate, with little correlation to the Australian equities market.

The next best fund on a risk/return basis was the Gottex Market Neutral fund, which recorded a Sharpe ratio of

5.53, the best of the fund-of funds. The Gottex fund was the 2<sup>nd</sup> best performer on a pure return basis with 11.7 percent, and had a low volatility measure of 1.3 percent. BGI's Equity Market Neutral Fund (3.49), Basis Capital's Aust-Rim Opportunities Fund (3.37), and Colonial Wholesale Fixed Interest Strategies Fund (2.67) rounded out the top 5.

Interestingly, the OM Strategic-IP 200 Limited fund, the best performing fund for the 12 months to March, was ranked 16<sup>th</sup> on a risk return basis due to its high volatility (standard deviation of 25.1 percent) with a Sharpe ratio 1.07.

**Table 7: Top 20 Risk/Return Hedge Fund Managers in 12 months to March**

Rank	Fund Name	Strategy Description	Sharpe <sup>1</sup> Ratio	Volatility	
				Standard Deviation	Rank
1	Vertex Capital Management Relative Value Fund	Long/Short strategies	7.37	3.1%	(26)
2	Gottex Market Neutral Fund	Fund-of-funds	5.53	1.3%	(1)
3	BGI Equity Market Neutral Fund	Long/Short strategies	3.49	3.8%	(27)
4	Basis Aust-Rim Opportunity Fund	Arbitrage strategies	3.37	1.7%	(10)
5	Colonial Wholesale Fixed Interest Strategies Fund	Fund-of-funds	2.67	2.0%	(14)
6	HFA Diversified Investments Fund	Fund-of-funds	2.63	1.5%	(5)
7	Basis Pac-Rim Opportunity Fund	Arbitrage strategies	2.61	1.8%	(11)
8	Lazard Diversified Strategies, PLC	Hedge Fund of Funds	2.53	1.9%	(12)
9	ALLSA Fund	Long/Short strategies	2.05	4.1%	(31)
10	Colonial Wholesale Tactical Strategies Fund	Fund-of-funds	1.54	8.1%	(36)
11	Concepts Currency Fund Ltd	Absolute return	1.49	11.0%	(42)
12	Colonial Wholesale Relative Value Share Strategies Fund	Fund-of-funds	1.32	3.9%	(28)
13	Colonial Global Diversified Strategies Fund	Fund-of-funds	1.23	2.6%	(19)
14	Rubicon M&A Fund	Arbitrage strategies	1.23	5.5%	(35)
15	PM Capital Enhanced Yield Fund	Long/Short strategies	1.20	2.7%	(22)
16	OM-IP 220 Limited	Fund-of-funds	1.07	25.1%	(47)
17	Absolute Capital The Relative Value Strategies Fund	Fund-of-funds	1.06	1.6%	(9)
18	BT Financial Group- Total Return Fund	Fund-of-funds	1.05	1.4%	(3)
19	Austral Equity Underwriting Fund	Event-drive strategies	0.97	2.3%	(15)
20	Momentum All Weather (AS) Absolute Return Fund	Fund-of-funds	0.80	1.5%	(8)

<sup>1</sup> The Sharpe ratio and Volatility measures presented in the above table are for the 12 months to March 2003, a risk free rate of 4.5 percent was used to calculate the Sharpe ratio.  
Source: InvestorInfo Research

### 3. Hedge Fund News Briefs

- Momentum Australia moved to Sydney following its acquisition by Pioneer Investments, with Les Walden and Neil Wild looking to expand Pioneer's presence in the Australian market. Pioneer was founded in 1928, and manages over €102 billion worth of assets worldwide.
- Gottex Australia is increasing its focus on sourcing money from the Australian market, appointing Select Asset Management to market its portfolio to the retail market and high-net worth investors. Gottex has approximately \$US 200 FUM, but only a small percentage of this is Australian sourced, with the majority coming from European investors.
- Dingo Capital has taken its Wolf Fund off the market after significant withdrawals were made from the long/short market neutral hedge fund. The remainder of the assets in the fund have been transferred to Dingo's global macro fund.
- Challenger International's domestic long/short hedge fund, Blue Peak, has been capped to further investment with the fund reaching \$53 million, satisfying its capacity of \$50 million. Robert Howe's team are now focusing on developing a global long/short product for Australian investors.
- HFA's Strategic Investment Fund has included three new managers on its roster, two US long/short funds from Tremblant and Chilton New Era Investments, and another Atticus product with a long/short strategy and a high exposure to the European market.
- BT Financial Group's Total Return Fund, run by Richard Keary, has allocated \$5 million to Marshall Investments, which is a long/short fund trading the ASX 200 market and run by John Marshall. Another allocation, worth \$5 million and went to St Helen's Capital's long/short AILSA fund. This was St Helen's first institutional business.
- David Zobel, head of Deutsche's absolute returns business in Australia, is returning to New York, along with analyst Jason Reid. Glenn Poswell will remain in Sydney and run the Australian business.
- Absolute Capital is arranging a management buy-out of minority shareholders, Swiss based alternative investments manager, RMF, who currently have a one-third share in the business. The situation occurred because of RMF's acquisition by Man Financial, which has an exclusive arrangement in Australia with OM Strategic.

### 4. New Hedge Funds

- Quant manager GMO are set to launch an Australian equities long/short hedge fund. GMO have also launched a multi-strategy hedge fund which will be available to Australian investors, but run out of Boston. The fund has already attracted \$US 200 million in just over four months.
- AMP Henderson Global Investors will launch its first domestic hedge fund, this will be an extension of its five existing hedge funds run out of the UK.
- Rohan Hedley, and Victor Gomes are launching the Hayberry Australia Equity Fund, which will be seeded with \$5 million. The fund will have a fairly high tracking error.
- Michael Basset and Roland Hill have joined to form Cape Leeuwin, an Australian equities long/short fund focusing on the S&P/ASX 100.

**Table 8: Hedge Fund Summary Table**

FUND NAME	Strategy Description	Australian Sourced FUM/Advisory (\$m)	March Fund Flows (\$m)	Inception Date	Performance to 31/3/03				Sharpe ratio
					March Quarter	1 Year	2 Year	3 Year	
Absolute Capital- Absolute Return Fund	Fund-of-funds	112.6	-2.4	1/8/99	1.2%	4.7%	5.2%	5.7%	0.17
Absolute Capital- Equity Long/Short Strategies	Fund-of-funds	23.2	-4.8	1/1/00	-1.2%	-0.5%	1.0%	6.7%	-3.34
Absolute Capital- Event Strategies Fund	Fund-of-funds	16.6	-5.4	1/10/99	2.6%	5.9%	7.1%	5.5%	0.71
Absolute Capital- Global Strategies Fund	Fund-of-funds	22.5	1.5	1/7/00	0.6%	6.0%	6.3%	-	0.57
Absolute Capital- Relative Value Strategies	Fund-of-funds	28.4	-2.6	1/2/00	1.6%	6.1%	-1.4%	1.7%	1.06
Alliance- New Horizons Absolute Return Fund	Fund-of-funds	46.1	9.2	1/7/01	1.3%	2.1%	-	-	-0.80
Austral Equity Underwriting Fund	Event-driven	10.8	0.7	1/9/97	1.8%	6.7%	11.2%	6.0%	0.97
AXA-Wholesale Global Diversified Hedge Fund	Fund-of-funds	32.9	2.7	1/12/01	1.3%	2.5%	-	-	-0.65
Basis Capital- Aust-Rim Opportunity Fund	Arbitrage	21.8	1.7	1/8/00	3.1%	10.3%	13.2%	-	3.37
Basis Capital- Pac-Rim Opportunity Fund	Arbitrage	96.2	38.2	1/8/00	2.8%	9.3%	12.9%	-	2.61
BGI Equity Market Neutral Fund	Long/Short	301.0	31.0	1/9/01	4.7%	17.7%	-	-	3.49
BT Financial Group- Global Return Fund	Long/Short	50.0	-3.0	1/2/02	0.2%	2.3%	-	-	-0.15
BT Financial Group- Total Return Fund	Fund-of-funds	100.0	10.0	1/11/01	2.3%	4.9%	-	-	0.15
Challenger- BluePeak Long/Short Australia Fund	Fund-of-funds	60.0	-15.0	1/1/01	2.0%	6.0%	5.6%	-	1.05
Colonial Global Diversified Strategies Fund	Fund-of-funds	90.7	13.2	1/11/01	2.3%	7.7%	-	-	1.23
Colonial Wholesale Fixed Interest Strategies Fund	Fund-of-funds	21.5	4.3	1/11/01	3.3%	9.9%	-	-	2.67
Colonial Wholesale Long Short Strategies Fund	Fund-of-funds	45.6	4.5	1/11/01	1.5%	-0.7%	-	-	-1.04
Colonial Wholesale Ref. Value Share Strategies	Fund-of-funds	31.7	6.7	1/11/01	3.5%	9.7%	-	-	1.32
Colonial Wholesale Tactical Strategies Fund	Fund-of-funds	15.9	1.5	1/11/01	0.8%	16.9%	-	-	1.54
Deutsche Global Equity Opportunities Fund	Fund-of-funds	18.0	0.9	1/8/01	1.2%	0.7%	-	-	-0.95
Deutsche Strategic Value Fund	Fund-of-funds	230.0	-11.1	1/12/99	3.3%	0.3%	3.7%	2.5%	-0.82
Ebisu Diversified Futures	Managed Futures	0.7	-	6/1/00	-7.8%	9.3%	19.2%	-	0.25
Eclectic Capital Management	Multi-Strategy	35.0	20.0	1/2/01	-0.7%	4.7%	15.3%	-	0.05
Everest Global Growth Fund	Fund-of-funds	72.9	-2.1	1/4/01	0.1%	4.6%	10.1%	-	0.04
FRM Australia Diversified Fund	Fund-of-funds	157.0	97.0	1/11/02	2.5%	14.3%	-	-	4.01
FRM Diversified Series Fund	Fund-of-funds	267.0	97.0	1/1/98	2.0%	6.5%	6.7%	9.7%	0.77
FX Concepts Currency Fund Ltd	Absolute return	30.0	2.0	1/8/89	3.4%	20.9%	5.7%	6.1%	1.49
Gottex Market Neutral Fund	Fund-of-funds	15.0	12.0	1/6/99	4.0%	11.7%	8.7%	9.9%	5.53
Grinham Diversified Fund	Futures	93.7	37.2	1/1/02	1.2%	19.7%	-	-	1.71
Harris Associates- Aurora Offshore Fund	Fund-of-funds	91.7	-8.0	1/4/99	2.3%	3.0%	4.7%	8.4%	-0.37
HFA Australian Shares Long Short Fund	Long/Short	21.0	-1.2	1/10/99	-2.7%	-9.9%	-2.6%	-0.6%	-1.34
HFA Conservative Investments Fund	Fund-of-funds	14.4	1.2	1/4/01	2.3%	5.5%	3.8%	-	0.71
HFA Diversified Investments Fund	Fund-of-funds	84.7	34.4	1/4/01	2.8%	8.3%	6.5%	-	2.63
HFA Strategic Investment Fund	Fund-of-funds	12.0	-0.9	1/4/01	-0.7%	-6.4%	-3.5%	-	-2.67
K2 Asian Absolute Return Fund	Long/Short	29.0	3.3	1/9/99	0.1%	-1.4%	6.9%	7.1%	-0.56
K2 Australian Absolute Return Fund	Long/Short	9.1	2.4	1/10/99	2.8%	6.0%	18.1%	14.2%	0.15
Kaiser Trading Group	Managed Futures	72.0	1	3/1/98	1.2%	9.0%	5.2%	10.6%	0.58
Lazard Diversified Strategies, PLC	Fund-of-funds	49.6	0.5	1/11/01	2.0%	9.3%	-	-	2.53
Lazard Global Opportunities Fund	Long/Short	48.2	-0.3	1/4/02	-1.7%	5.0%	-	-	0.06
Merrill Lynch Strategic Absolute Return Fund	Fund-of-funds	13.7	-1.3	1/12/01	1.1%	2.5%	-	-	-1.52
Momentum All Weather (A\$) Absolute Return	Fund-of-funds	14.0	0.0	1/11/01	2.0%	5.7%	-	-	0.80
Momentum Global (A\$) L/S Strategy Fund	Fund-of-funds	6.0	0.0	1/11/01	-1.2%	-4.3%	-	-	-2.87
Obno CTA	Managed Futures	1.1	-	1/1/00	-7.3%	-1.1%	11.9%	-	-0.32
OM Strategic-IP 220 Limited	Fund-of-funds	1,100.0	100.0	1/8/97	6.9%	31.4%	10.3%	19.9%	1.07
Optimal Japan Trust	Long/Short	5.8	0.1	20/12/99	4.2%	-1.8%	-0.1%	1.6%	-0.58
PM Capital Absolute Performance Fund	Long/Short	150.7	10.7	1/11/98	-1.2%	-22.0%	-9.2%	-2.1%	-0.94
PM Capital Australian Opportunities Fund	Long/Short	58.7	8.7	1/1/00	-5.8%	-10.7%	2.6%	7.2%	-1.33
PM Capital Enhanced Yield Fund	Long/Short	33.1	15.8	1/3/02	1.6%	7.7%	-	-	1.20
Portfolio Partners High Growth Shares Trust	Long (bias)/Short	187.8	-7.2	1/7/97	-5.1%	-13.9%	3.8%	11.2%	-1.20
Rubicon Asia Fund	Long/Short	5.7	0.9	1/10/02	5.3%	11.2%	-	-	1.22
Rubicon M&A Fund	Arbitrage	21.4	5.5	1/5/02	1.1%	11.2%	-	-	1.23
St Helens- ALLSA Fund	Long/Short	4.0	2.1	1/1/02	1.9%	12.9%	-	-	2.05
TGM Eagle Fund	Global Macro	5.9	1.1	2/5/02	-11.8%	3.2%	-	-	-0.07
Vertex Capital Mgmt Relative Value Fund	Long/Short	50.0	22.0	1/3/00	4.1%	27.5%	14.5%	12.2%	7.37
Warakirri Absolute Return Fund	Fund-of-funds	72.1	2.1	1/1/01	0.8%	-1.1%	2.3%	-	-2.16

Source: InvestorInfo Research

**Table 9: Hedge Fund Correlations for the 12 months to 31/3/03**

	S&P/ASX 200	S&P 500	FTSE 100	MSCI World	UBS Australian Comp Bond Index	SSB World Gov Bond Index
Absolute Capital- Absolute Return Fund	-0.10	0.09	0.20	0.15	0.19	-0.04
Absolute Capital- Equity Long/Short Strategies	0.50	0.29	0.34	0.33	-0.12	-0.06
Absolute Capital- Event Strategies Fund	-0.06	-0.04	-0.02	-0.03	0.30	0.14
Absolute Capital- Global Strategies Fund	-0.54	-0.33	-0.21	-0.27	0.52	0.40
Absolute Capital- Relative Value Strategies Fund	-0.19	0.02	0.05	-0.01	0.47	0.19
Alliance- New Horizons Absolute Return Fund	0.01	0.03	0.10	0.12	0.18	0.11
AMEX- Advisory European Equity Market Neutral Fund	-0.34	-0.36	-0.34	-0.40	0.25	0.26
Austral Equity Underwriting Fund	0.64	0.71	0.60	0.70	-0.61	-0.76
AXA-Wholesale Global Diversified Hedge Fund	0.04	0.01	0.11	0.11	0.15	0.08
Basis Aust-Rim Opportunity Fund	-0.13	0.19	0.32	0.26	0.03	-0.17
Basis Pac-Rim Opportunity Fund	-0.07	0.21	0.36	0.30	-0.04	-0.23
BGI Equity Market Neutral Fund	-0.27	-0.37	-0.15	-0.35	0.21	0.38
Blue Sky Japan	0.03	-0.29	-0.20	-0.25	-0.06	0.16
BT Financial Group- Global Return Fund	0.50	0.38	0.27	0.39	-0.15	-0.26
BT Financial Group- Total Return Fund	0.25	0.27	0.17	0.29	-0.41	-0.39
Challenger- BluePeak Long Short Australia Fund	-0.24	0.03	0.18	0.11	-0.40	-0.37
Coastal International Equity Fund	0.61	0.34	0.32	0.35	-0.19	-0.30
Coastal Magnum Diversified Performance Fund	0.61	0.68	0.64	0.72	-0.39	-0.45
Colonial Global Diversified Strategies Fund	-0.03	0.02	0.06	0.08	0.11	0.04
Colonial Wholesale Fixed Interest Strategies Fund	0.41	0.38	0.25	0.37	-0.11	-0.27
Colonial Wholesale Long Short Strategies Fund	0.27	0.27	0.33	0.35	-0.26	-0.29
Colonial Wholesale Relative Value Share Strategies Fund	0.24	0.27	0.21	0.26	-0.02	-0.12
Colonial Wholesale Tactical Strategies Fund	-0.65	-0.58	-0.49	-0.54	0.51	0.54
Deutsche Global Equity Opportunities Fund	0.63	0.74	0.71	0.78	-0.42	-0.54
Deutsche Strategic Value Fund	0.44	0.51	0.44	0.56	-0.41	-0.39
Ebisu Diversified Futures	-0.33	-0.39	-0.34	-0.34	0.45	0.36
Eclectic Australia Fund	0.22	0.17	0.12	0.25	-0.04	-0.13
Everest Global Growth Fund	0.64	0.70	0.69	0.80	-0.58	-0.64
Frank Russell Alternative Investments Fund	0.16	0.20	0.02	0.24	-0.19	-0.27
FRM Arbitrage Series Fund	-0.21	-0.24	-0.22	-0.19	0.43	0.36
FRM Australia Diversified Fund	-0.46	-0.70	-0.51	-0.58	0.92	0.90
FRM Diversified Series Fund	-0.06	-0.14	-0.11	-0.06	0.34	0.21
FRM European Equity Performance Fund	0.68	0.49	0.47	0.54	-0.48	-0.48
FRM US Equity Performance	0.60	0.56	0.53	0.57	-0.36	-0.45
FX Concepts GCP Fund Ltd	0.19	0.01	0.01	0.06	-0.20	-0.27
Gottex Market Neutral Fund	-0.37	-0.07	0.04	-0.06	0.16	0.11
Grinham Diversified Fund	-0.45	-0.54	-0.47	-0.51	0.39	0.42
Harris Associates- Aurora Offshore Fund	0.28	0.10	0.03	0.15	-0.03	-0.10
Harris Associates- Pleiades Offshore Fund	0.15	0.24	0.13	0.25	-0.10	-0.24
HFA Australian Shares Long Short Fund	0.99	0.75	0.60	0.75	-0.65	-0.63
HFA Conservative Investments Fund	0.04	0.08	0.01	0.06	-0.32	-0.19
HFA Diversified Investments Fund	-0.16	-0.15	-0.13	-0.11	0.14	0.11
HFA Strategic Investment Fund	0.54	0.34	0.28	0.38	-0.48	-0.58
K2 Asian Absolute Return Fund	0.54	0.71	0.63	0.78	-0.41	-0.55
K2 Australian Absolute Return Fund	0.47	0.42	0.41	0.47	-0.03	-0.10
Kaiser Trading Group	-0.37	-0.33	-0.41	-0.40	-0.04	0.16
Lazard Diversified Strategies, PLC	-0.26	-0.51	-0.64	-0.49	0.36	0.48
Lazard Global Opportunities Fund	0.22	-0.02	0.13	0.07	0.18	0.31
Merrill Lynch Strategic Absolute Return Fund	0.26	0.28	0.10	0.29	-0.03	-0.13
Momentum All Weather (AS) Absolute Return Fund	0.71	0.70	0.57	0.70	-0.54	-0.62
Momentum Global (SA) L/S Strategy Fund	0.33	0.13	0.27	0.25	-0.10	-0.08
Monterry- Merlin Investment Fund	0.11	0.15	0.25	0.17	-0.43	-0.37
Obno CTA	-0.05	0.28	0.54	0.33	0.28	0.08
OM Strategic -IP 220 Limited	-0.82	-0.76	-0.72	-0.73	0.61	0.67
Optimal Japan Trust	-0.10	-0.27	-0.19	-0.21	-0.23	-0.08
PM Capital Absolute Performance Fund	0.64	0.92	0.78	0.90	-0.63	-0.74
PM Capital Australian Opportunities Fund	0.86	0.78	0.68	0.78	-0.60	-0.65
PM Capital Enhanced Yield Fund	0.57	0.74	0.63	0.76	-0.71	-0.87
Portfolio Partners High Growth Shares Trust	0.97	0.76	0.61	0.77	-0.65	-0.67
Rubicon Asia Fund	-0.52	0.05	-0.01	0.01	-0.29	-0.16
Rubicon M&A Fund	0.23	-0.19	-0.22	-0.16	-0.44	-0.21
St Helens- AILSA Fund	0.27	0.40	0.45	0.33	-0.17	-0.30
Sutton Managed Futures Portfolio	-0.94	-0.92	-0.11	-0.82	0.96	0.98
TGM Eagle Fund	0.07	0.16	0.21	0.10	-0.09	-0.14
Vertex Capital Management Relative Value Fund	-0.07	-0.34	-0.19	-0.24	0.40	0.36
Warakirri Absolute Return Fund	0.28	0.16	0.24	0.21	0.02	-0.10

Source: InvestorInfo Research

Table 10: Hedge Fund Directory

Manager Name	Fund Names	Aust. Sourced FUM/Advisory (\$m)	Contact Name	Address	Phone Number
<b>Absolute Capital Group</b>	Absolute Capital Absolute Return Fund	112.6	Tim Hewson	Level 7, 25 Bligh Street, Sydney, NSW 2000	61 2 9230 6417
	Absolute Capital Equity Long/Short Strategies Fund	23.2			
	Absolute Capital Event Strategies Fund	16.6			
	Absolute Capital Global Strategies Fund	22.5			
	Absolute Capital Relative Value Strategies Fund	28.4			
<b>American Express Asset Management</b>	Advisory European Equity Market Neutral Fund	-	Martin Franc	Level 15, 338 Pitt Street, Sydney, NSW 2000	61 2 9271 3298
<b>Austral Capital</b>	Austral Equity Underwriting Fund	10.8	Stephen Rabin	Suite 711, 33 Bligh Street, Sydney, NSW 2000	61 2 9232 4700
<b>AXA Alternative Advisors, Inc</b>	AXA-Wholesale Global Diversified Hedge Fund	32.9	David Dankert	Level 3, 447 Collins Street, Melbourne, VIC, 3000	61 3 9616 3561
	Alliance- New Horizons Absolute Return Fund	46.1	Brad Karp	Level 53, Rialto Building, 525 Collins Street, Melbourne, VIC, 3000	61 3 8630 2232
<b>Barclays Global Investors Australia Ltd.</b>	BGI Equity Market Neutral Fund	301.0	Morry Waked	Level 1, 111 Harrington Street, Sydney, NSW 2000	61 2 9272 2235
<b>Basis Capital</b>	Basis Aust-Rim Opportunity Fund	21.8	Steve Howell	Level 14, 309 Kent Street, Sydney, NSW 2000	61 2 9290 8508
	Basis Pac-Rim Opportunity Fund	96.2			
<b>Blue Sky Capital Management</b>	Blue Sky Australian Trust	-	Don Guthrie	Suite 30B, Level 30, 101 Miller Street, Nth Sydney 2060	61 2 9929 3880
	Blue Sky Japan	-			
<b>BT Financial Group</b>	BT Financial Group- Global Return Fund	100.0	Richard Keary	Level 14, Chifley Tower, 2 Chifley Square, Sydney, NSW 2000	61 2 9259 9290
	BT Financial Group- Total Return Fund	60.0			
<b>Challenger International</b>	BluePeak Long Short Australia Fund	50.0	Louise Chatwood	Level 41, 88 Phillip Street, Sydney, NSW 2000	61 2 9994 7000
<b>Coastal Capital Limited</b>	Coastal International Equity Fund	-	Peter Frohlich	Level 4, 111 Harrington Street, Sydney, NSW 2000	61 2 9252 8388
	Coastal Magnum Diversified Performance Fund	-			
<b>Colonial First State Investments</b>	Colonial Global Diversified Strategies Fund	90.7	David Bell	Level 29, 52 Martin Place, Sydney, NSW 2000	61 2 9273 3018
	Colonial Wholesale Fixed Interest Strategies Fund	21.5			
	Colonial Wholesale Long Short Strategies Fund	45.6			
	Colonial Wholesale Relative Value Share Strategies	31.7			
	Colonial Wholesale Tactical Strategies Fund	15.9			
<b>Deutsche Asset Management</b>	Deutsche Global Equity Opportunities Fund	18.0	Glenn Poswell	Level 21, 83 Clarence Street, Sydney, NSW 2000	61 2 9249 9000
	Deutsche Strategic Value Fund	230.0			
<b>Dingo Capital Ltd</b>	Ablett 5 Limited	-	Gary Parsons	Suite 2, 34 Salvado Road, Subiaco, WA 6008	61 8 9380 9799
<b>Ebisu Portfolio Management Pty Ltd</b>	Ebisu Diversified Futures	0.7	Greg Mulcahy	Level 12, 280 Liverpool Street, Darlinghurst, NSW	61 2 9360 0777
<b>Eclectic Capital Management</b>	Eclectic Australia Fund	50.0	David Somerton	171 Park Street, South Melbourne, VIC 3205	61 3 9686 8900
<b>Everest Capital Limited</b>	Everest Global Growth Fund	72.9	Jeremy Reid	PO Box 388, Edgecliff, NSW 2027	61 2 9327 0950
<b>Frank Russell Company</b>	Frank Russell Alternative Investments Fund	-	Veronik Verkest	Level 24, Maritime Centre, 207 Kent Street, Sydney, NSW 2000	61 2 9770 8000
<b>FRM Investment Management</b>	FRM Arbitrage Series Fund	-	Derek Goodyer	Level 67, 19-29 Martin Place, Sydney, NSW 2000	61 2 9236 7321
	FRM Australia Diversified Fund	157.0			
	FRM Diversified Series Fund	267.0			
	FRM European Equity Performance Fund	-			
	FRM US Equity Performance	-			
<b>FX Concepts, Inc.</b>	Concepts Currency Fund Ltd	30.0	Kim Reardon	Level 2, 350 George Street, Sydney, NSW 2000	1-212-554-6800
	Concepts GCP Fund Ltd	-			
<b>GoldLink Capital Pty Ltd</b>	IncomePlus	-	Mark Smith	Level 29, Chifley Tower, Chifley Square, Sydney, NSW 2000	61 2 9375 2203
<b>Gottex</b>	Gottex Absolute Return Fund	-	Clayton Friend	Level 23, St Martins Tower, 44 St Georges Terrace, Perth, WA 6000	61 8 9268 3302
	Gottex Market Neutral Fund	15.0			
<b>Grinham Managed Funds Pty Ltd</b>	Grinham Diversified Fund	9.3	Christine Hughes	55 Hume Street, Crows Nest, NSW 2065	61 2 9906 2600
<b>Hale &amp; Shepherd Investments Limited</b>	Hale & Shepherd Investments Fund	-	Michael Hale	The Christie Centre, 320 Adelaide Street, Brisbane, QLD 4000	61 7 3220 2237
<b>Harris Associates</b>	Aurora Offshore Fund	91.7	Karyn West	Level 29, 2 Chifley Square, Sydney, NSW 2000	61 2 9375 2301
	Pleiades Offshore Fund	-			
<b>Hedge Funds of Australia Ltd</b>	HFA Australian Shares Long Short Fund	21	Spencer Young	Level 1, 274 Victoria Street, Darlinghurst, NSW 2010	61 2 9357 7500
	HFA Conservative Investments Fund	14.4			
	HFA Diversified Investments Fund	84.7			
	HFA Strategic Investment Fund	12.0			
<b>K2 Asset Management</b>	K2 Asian Absolute Return Fund	29.0	Michael Bartlett	Level 24, 360 Collins Street, Melbourne, Victoria 3000	61 3 9691 6111
	K2 Australian Absolute Return Fund	9.1			

Manager Name	Fund Names	Aust. Sourced FUM/Advisory (\$m)	Contact Name	Address	Phone Number
<b>Kaiser Trading Group Pty. Ltd.</b>	Kaiser Trading Group	26.0	Anthony Kaiser	Level 1, 360 Collins Street, Brighton, VIC 3186	61 3 9592 3600
<b>Lazard Asset Management Pacific Co</b>	Lazard Diversified Strategies, PLC	49.6	Rob Clarke	Level 39, 1 Macquarie Place, Sydney, NSW 2000	61 2 8274 1405
	Lazard Global Opportunities Fund	48.2			
<b>Merrill Lynch Investment Managers Aust.</b>	Merrill Lynch Strategic Absolute Return Fund	13.7	Ken Liow	Level 19, 120 Collins Street, Melbourne, Victoria 3000	61 3 9657 3221
<b>Monterrey Investment Management</b>	Merlin Investment Fund	-	Tony Baum	Level 2, 120 Collins Street, Melbourne, Victoria 3000	61 3 9652 1500
<b>Obno Pty Limited</b>	Obno CTA	1.1	Mark Turnbull	7 Riverview Parade, Manly, NSW	61 2 9905 1661
<b>OM Strategic Investments Limited</b>	OM-IP 220 Limited	1,100.0	John Morrison	Lvl 24, Grosvenor Place, 225 George Street, Sydney, NSW 2000	61 2 8259 9999
<b>Optimal Fund Management</b>	Optimal Japan Trust	5.8	Warwick Johnson	Level 32, 2 Chifley Square, Sydney, NSW 2000	61 2 9229 1863
<b>Pioneer Global Investments (Australia)</b>	Momentum All Weather (A\$) Absolute Return	14.0	Neil Wild	Level 31 Aurora Place, 88 Phillip Street, Sydney, NSW 2000	61 2 8211 0654
	Momentum Global (SA) L/S Strategy Fund	6.0			
<b>PM Capital</b>	PM Capital Absolute Performance Fund	150.7	Chris Donohoe	Level 6, 10 Bridge Street, Sydney, NSW 2000	61 2 8243 2805
	PM Capital Australian Opportunities Fund	58.7			
	PM Capital Enhanced Yield Fund	33.1			
<b>Portfolio Partners Limited</b>	Portfolio Partners High Growth Shares Trust	187.8	Ian Lang	Level 4, 530 Collins Street, Melbourne, Victoria 3001	61 3 9220 0300
<b>Rubicon Partners</b>	Rubicon Asia Fund	5.7	Gordon Fell	Suite 14, 409-411 New South Head Road, Double Bay, NSW	61 2 9302 2121
	Rubicon M&A Fund	21.4			
<b>St Helens Capital P/L</b>	AILSA Fund	4.0	Michael	402/55 Lime Street, Sydney, NSW 2000	61 2 9299 3898
<b>Sutton Managed Futures Pty Ltd</b>	Sutton Managed Futures Portfolio	1.0	Derrick Sutton	5 Gibdon Street, Richmond, VIC	61 3 9429 6698
<b>Tactical Global Management Limited</b>	TGM Eagle Fund	5.9	Margaret Walker	Level 10 Waterfront Place, 1 Eagle Street,	61 7 3239 2704
<b>Tankstream Capital Pty Ltd</b>		-	David Mackey	99 William Street, Melbourne, VIC 3000	61 3 9621 2800
<b>Vertex Capital Management Limited</b>	Vertex Capital Management Relative Value Fund	50.0	Kim Ivey	Level 12, 20 Bridge Street, Sydney, NSW 2000	61 2 9251 1877
<b>Warakirri Asset Management</b>	Warakirri Absolute Return Fund	72.1	Rick Le Deux	Level 3, 53 Queen Street, Melbourne, VIC 3000	61 3 9614 7177

Source: InvestorInfo Research