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## 2009 Absolute Return and Hedge Fund Year in Review

### 'Preservation of investors' capital'

Australian absolute return and hedge funds, like their overseas counterparts, enjoyed one of their best performances on record in 2009. Single funds across all strategies returned 20.81% for their investors after all fees as equity markets rebounded sharply from the selloff of 2008 and early 2009.

The ASX of course had a stellar year, rising just over 30%, but still remained below its previous highs of November 2007 following the fall of over 41% in 2008. As the cumulative performance chart below shows, the ASX still has considerable ground to make up before reaching that point, or for that matter, approaching the returns of the local hedge fund sector.

AFM Hedge Fund Index	2009	2008
AFM Hedge Fund Index	17.54%	-17.74%
AFM Equity Based Fund Index	24.94%	-20.07%
AFM Non Equity Based Fund Index	8.71%	-14.93%
AFM Fund of Fund Index	6.92%	-26.28%
AFM Single Fund Index	20.81%	-15.29%

Index/Sector	2009	2008
ASX200	30.84%	-41.29%
S&P500	23.45%	-38.49%
MSCI World ex Australia	26.14%	-40.14%
% of AFM Index outperforming ASX	18%	91%
% of AFM index with Positive Returns	78%	24%

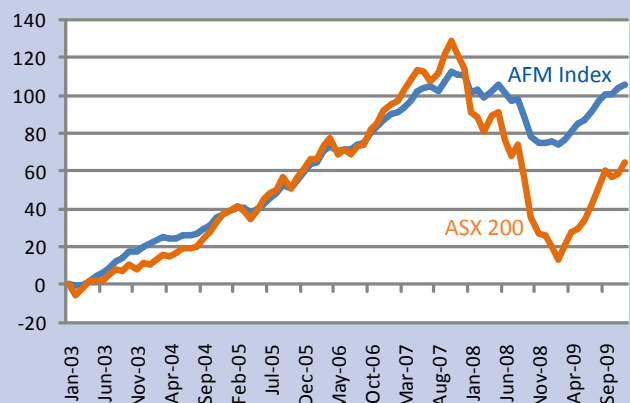
There will no doubt be those who choose to view hedge fund performance in 2009 as being below par compared with the ASX. After all, only 18% of the 241 funds tracked by AFM outperformed the ASX. This compares with 2008 when 91% of funds outperformed the ASX in a falling market.

And therein lies the key to successful managers, and the primary objective stated by most of them: **"Preservation of investors' capital"**. While the headlines, the politicians and many traditional managers seem ready and willing to paint absolute return and hedge funds as risky, unregulated and highly volatile, the facts show that on average, hedge funds exhibit positive returns over the investment cycle with reduced volatility compared with underlying equity markets.

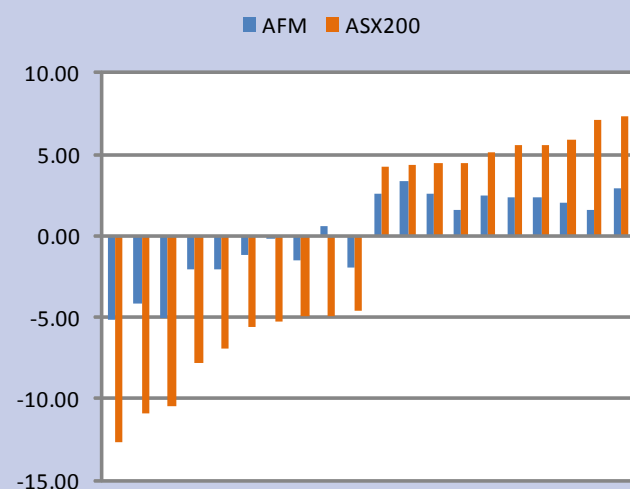
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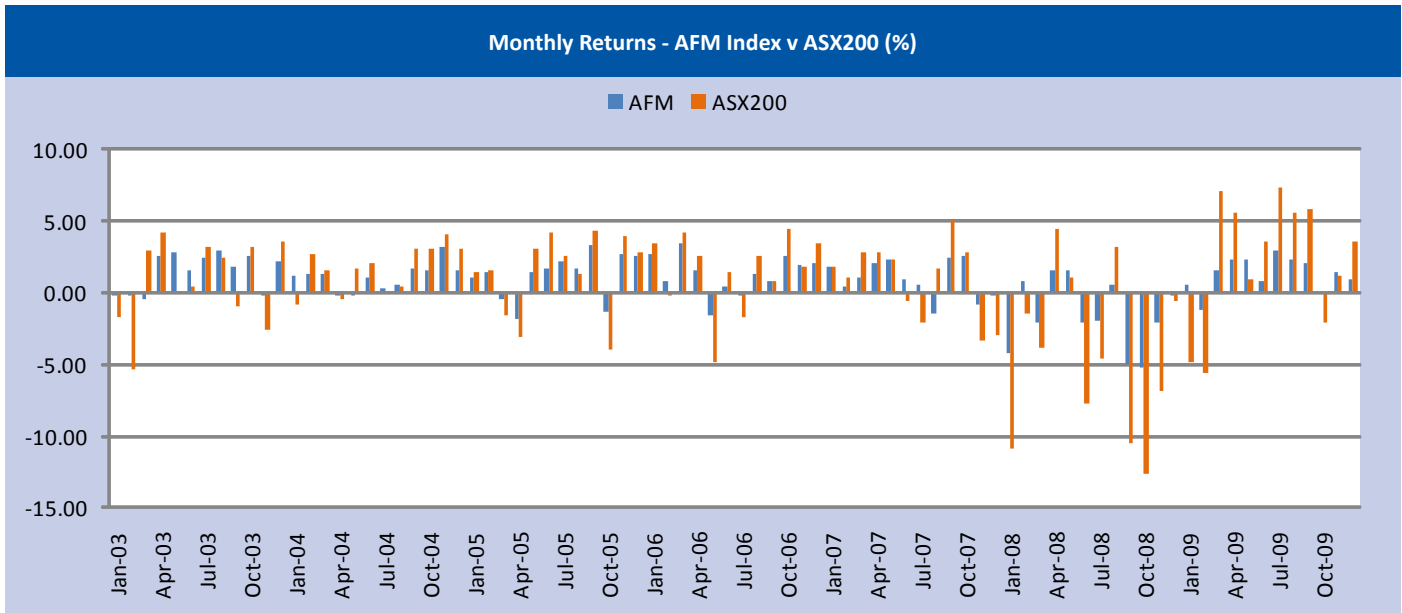
- ▶ [Best strategies in 2009](#)
- ▶ [Model Portfolio rewards](#)
- ▶ [Top funds in each strategy](#)
- ▶ [Overall top 10 league tables](#)

Cumulative performance since January 2003



ASX200 10 best and 10 worst months since Jan. 2003 (%)





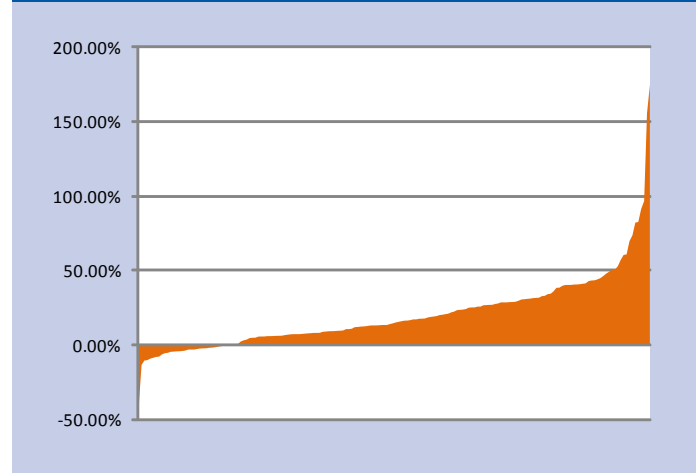
Taking the monthly performance of the AFM index compared with the ASX, the picture that evolves (see chart above) indicates the significantly lower volatility of hedge funds – again at odds with the general perception that they are risky and volatile. Hedge funds underperform in rising markets and outperform in falling ones.

This is reinforced further when fund returns are taken against the ASX200's ten best and worst monthly performances over the past 6 years. Whilst funds consistently underperformed the ASX performance in positive months, their downside protection was most evident when the ASX was in seriously negative territory.

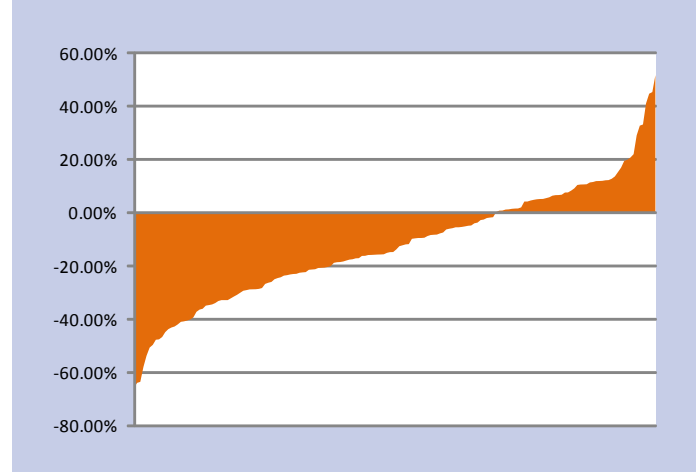
The average of the ten worst months on the ASX was a loss of over 7%. The average loss of all hedge funds in those same months was less than 3%.

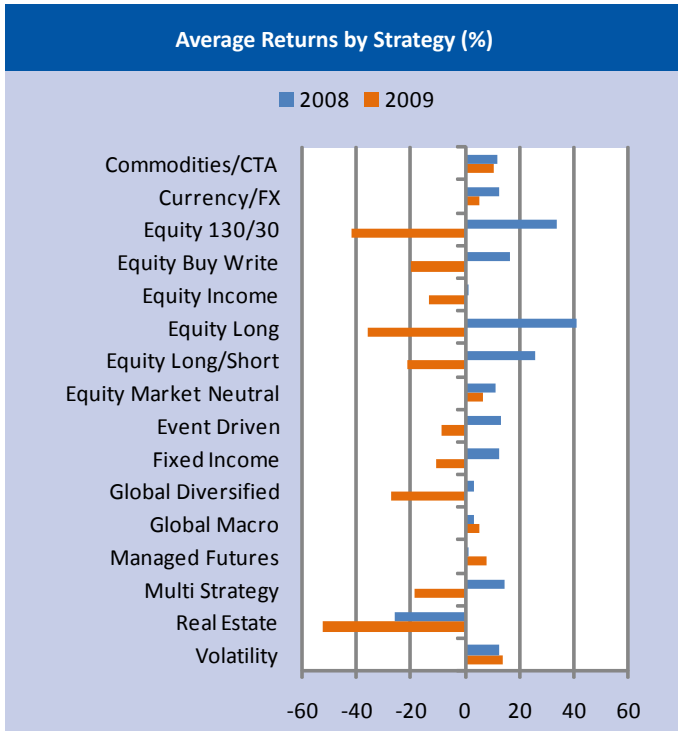
	Cumulative Returns since Jan. 2003	Annualised
All AFM Funds Index	105.72%	15.10%
ASX 200	64.73%	9.24%
Equity Funds	121.98%	17.42%
Non Equity Funds	75.91%	10.84%
Single Funds	135.63%	19.37%
Fund of Funds	33.99%	4.85%

**Distribution of 2009 Returns (%)**



**Distribution of 2008 Returns (%)**





Strategy	2009 %	2008 %	24 months %
Commodities/CTA	11.92	10.89	24.11
Currency/FX	12.64	5.25	18.55
Equity 130/30	33.54	-42.02	-22.57
Equity Buy Write	16.76	-19.79	-6.35
Equity Long	40.88	-35.58	-9.25
Equity Long Short	25.59	-21.23	-1.07
Equity Market Neutral	11.41	6.63	18.80
Event Driven	13.09	-8.96	2.96
Fixed Income	12.36	-10.87	0.15
Global Diversified	3.40	-27.06	-24.58
Global Macro	3.19	5.21	8.57
Managed Futures	1.03	7.93	9.04
Multi Strategy	14.74	-18.64	-6.65
All Funds	17.54	-17.74	-3.31
ASX200	30.84	-41.29	-23.18

Every strategy in the AFM Index (excluding Global Diversified which incorporates most Fund of Funds) outperformed the ASX over 2 years.

Predictions of which strategy will perform best over the next 12 months are notoriously difficult. 12 months ago there was a widely held view that funds with Global Macro, FX and Commodities and other non equity strategies had the best prospects for 2009.

A similar theme recurs when analysing the performances of individual funds (see Tables on pages 10 and 11). Six out of the top ten funds in 2009, with 12 month performances ranging from +60% to +174% remain flat or in negative territory over 24 months. At AFM we're not renowned for dwelling on negative performances, but it is some of those statistics that provide ammunition for the sceptics.

Against that, we would refer to the overall equity market's performance of -23.18% over 24 months.

Focusing on the positive (and maybe the obvious), the ideal funds are those with positive returns over a range of time frames, minimal or at least limited drawdowns, and low or reasonable volatility. The resultant Sharpe Ratio is probably the best "simple" measure to rank them.

However, even this can create statistical variances, and still doesn't overcome the risk of focusing on single funds and the inevitable search for the best, or "Fund of the Year." The inescapable truth is that no single strategy, or fund, can (or necessarily tries to) provide the perfect answer for all investors' selection criteria. Markets move in cycles, and strategies and styles move with them.

## Strategy Performance

As usual, and as to be expected from such a wide range of funds, (both by size, strategy and underlying asset class) the headline performance encompassed great diversity, and unless analysed carefully can be seriously misleading.

2009 was indeed the year for strong equity returns and this was reflected by the fact that the four best performing strategies in the AFM index were equity based. However as the table above shows all strategies provided a positive return in 2009, a far cry from 2008.

At the strategy level, Equity Long was the best performing at +40.88% as might be expected as local and offshore equity markets recovered. However more pleasing was the fact that these funds, and indeed the sector as a whole, provided significantly better returns than either the ASX200 or the S&P500 over the 12, 24, 36 and 60 month time frames.

However, let's return to the preservation of capital theme, or as Warren Buffet's two rules of making money goes: Rule #1: Never lose money. Rule #2: Refer Rule #1.

The best performing strategies in 2009, Equity Long, Equity 130/30, Equity Long/Short and Equity Buy/Write failed to fully recoup the losses of 2008. However, as shown in the table the ASX200 remained -23.18% over the past two years.

## The benefits of a diversified portfolio

In an attempt to overcome the temptation to chase or focus on funds with the best current performance, AFM analysed every fund in our database with a track record of at least three years, prior to October 2006.

We ranked each fund using 18 criteria covering performance, drawdowns, consistency of returns, volatility, Sharpe and Sortino ratios to create a series of Model Portfolios in an effort to provide consistent returns over the three year term, with low risk and low volatility, and a low downside correlation to equity markets.

The results surprised even ourselves, and although given the benefit of extensive data and hindsight, provided ample proof of the benefits of diversifying across a portfolio of funds to provide downside protection with above average returns.

The three portfolios developed consist of one dedicated to equities (E5), one to non equity managers (A5), and one diversified (D10, i.e. a combination of the two). Each of the dedicated portfolios consisted of at least five funds, resulting in the diversified portfolio having ten underlying managers.

Each portfolio assumed an equal weighting to each of the underlying managers at commencement in October 2006, with no subsequent reweighting or adjustment. Each of the managers was locally owned or managed, was open to investment and operated a local fund or managed account structure.

Although performance varied over the three year time period, and took into account significantly different trading and market conditions, the annualised return of each dedicated portfolio was almost identical, at 17%, as was underlying volatility, less than 6%.

When the two portfolios were combined the volatility and risk attributes improved even further, and exhibited even lower correlation to the ten worst months on the ASX.

The results are impressive, but also raise some questions for investors (large and small), their advisors and asset allocators, and if it comes to that, the local hedge fund industry itself:

*If this portfolio performance is available from local managers with no or limited offshore currency risk, good compliance and due diligence processes, why is there still a reluctance to increase research, allocations and investments to managers or portfolios such as these?*

We recently reviewed a research report from GoldmanSachsJBWere's chief economist, Tim Toohey, which showed that over the past 20 years, hedge funds (based on the HFRI fund of funds index) have been the top performing asset class in Australia, yet still only received an average asset allocation of 4.5% from Australian fund managers.

Statistically the research found that an ideal allocation to hedge funds would be just over 50%, but making allowances for the ramifications of such a change, (on markets and the ability for asset consultants and investors to adjust to such a radical view) reduced the allocation to 11%, still double the current number, for a portfolio with a targeted return of 10%.

To be fair, the Future Fund, with over \$60 billion in FUM outside Telstra, recently announced they had increased their allocation to alternatives to just over 11%. Some major funds such as ARIA have over 20% allocated to alternatives. However the majority of funds and investors, and their asset advisors, are ignoring the opportunity of excellent returns, limited downside and with low volatility, available on their own doorstep.

Key Performance Statistics	AFM Portfolio (A5)	AFM Portfolio (E5)	AFM Portfolio (D10)	ASX 200
December 2009	0.22%	1.26%	0.74%	3.60%
Annualised Return (since Oct 06)	17.15%	17.07%	17.11%	-1.72%
Last 3 Months	2.14%	4.26%	3.19%	2.67%
Last 6 Months	4.53%	15.61%	9.79%	23.14%
Last 12 Months	6.26%	22.93%	13.97%	30.85%
Last 24 Months	31.80%	27.70%	29.72%	-23.17%
% Positive Months	79.49%	84.62%	87.18%	58.97%
Best Month	6.09%	4.39%	3.34%	7.31%
Worst Month	-1.01%	-4.12%	-1.37%	-12.66%
Largest Drawdown	-1.39%	-7.13%	-2.78%	-50.48%
Average Positive Return	1.82%	1.86%	1.63%	3.47%
Average Negative Return	-0.51%	-1.57%	-0.68%	-5.03%
Annualised Standard Deviation	5.53%	5.70%	3.94%	17.31%
Downside Deviation	1.60%	3.21%	1.52%	14.40%
Sharpe Ratio (since Oct 06)	1.91	1.78	2.58	-0.32
Sortino Ratio	7.27	3.6	7.66	-0.50

## AFM Model Portfolio (A5)

AFM's Model Multi Manager Alternative Portfolio (A5) is based on historical quantitative performance data which provides a broad ranking system to analyse the individual and overall performance of hedge funds which meet specific risk and return criteria. Each fund in the Model Alternative Portfolio (A5) is managed in Australia with strategies and underlying asset classes including Global Macro, Commodities, Currency, Managed Futures and Fixed Income

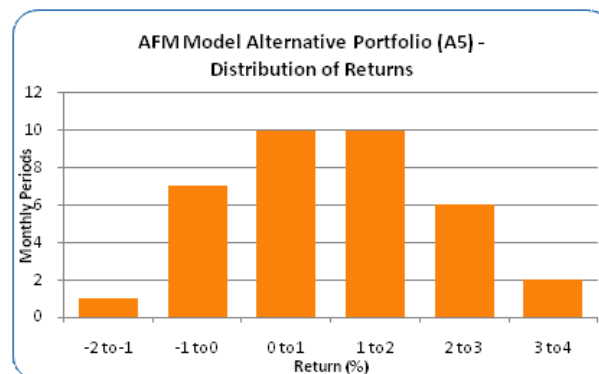
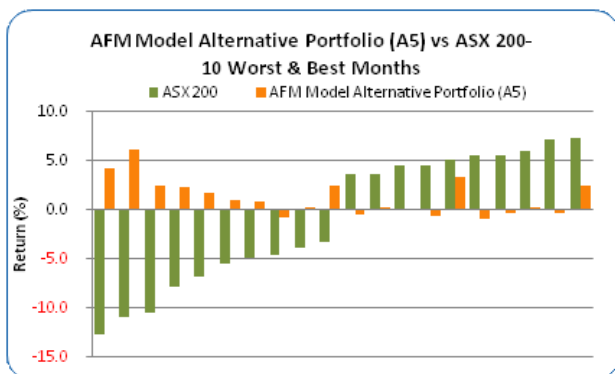
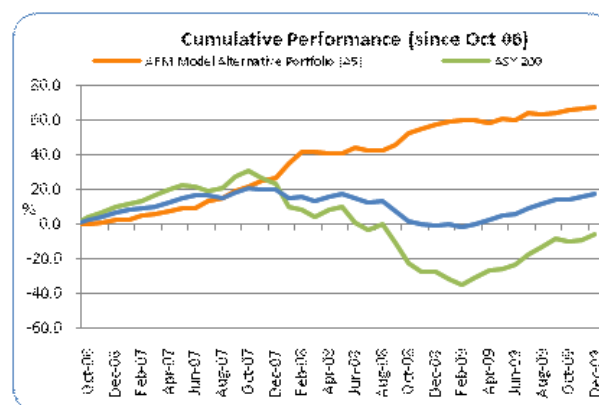
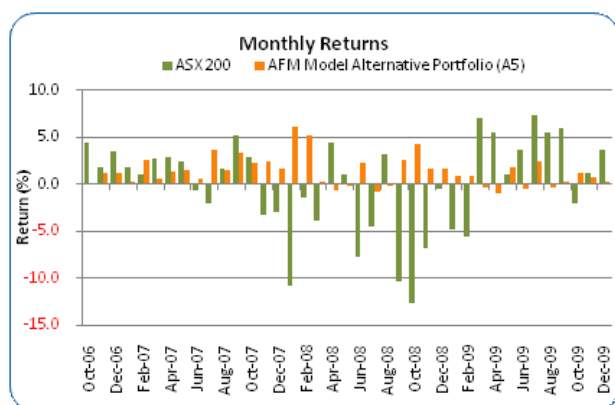
The Portfolio consists of five underlying funds, and includes alternative managers such as Commodity Strategies' Long Only Program, Excalibur's Currency Fund and QIC's Global Fixed Interest Alpha Fund.

The combined performance figures are based on a theoretical investment of \$100,000 into each of the funds as at 1st October 2006 with no subsequent re-weighting apart from any rise or fall in NAV as a result of performance.

Key Performance Statistics	AFM Portfolio (A5)	ASX 200
Latest Result	0.22%	3.60%
Annualised Return (since Oct 06)	17.15%	-1.72%
Last 3 Months	2.14%	2.67%
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% Positive Months	79.49%	58.97%
Best Month	6.09%	7.31%
Worst Month	-1.01%	-12.66%
Largest Drawdown	-1.39%	-50.48%
Average Positive Return	1.82%	3.47%
Average Negative Return	-0.51%	-5.03%
Annualised Standard Deviation	5.53%	17.31%
Downside Deviation	1.60%	14.40%
Sharpe Ratio (since Oct 06)	1.91	-0.32
Sortino Ratio	7.27	-0.50

### Performance - Net of Fees( %)

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



## AFM Model Portfolio (E5)

AFM's Model Multi Manager Equity Portfolio (E5) is based on historical quantitative performance data which is designed to provide a broad ranking system to analyse the individual and overall performance of hedge funds which meet specific risk and return criteria. Each fund in the Model Equity Portfolio (E5) has an underlying Australian equities asset base, and is domiciled in or managed from Australia to avoid currency risk.

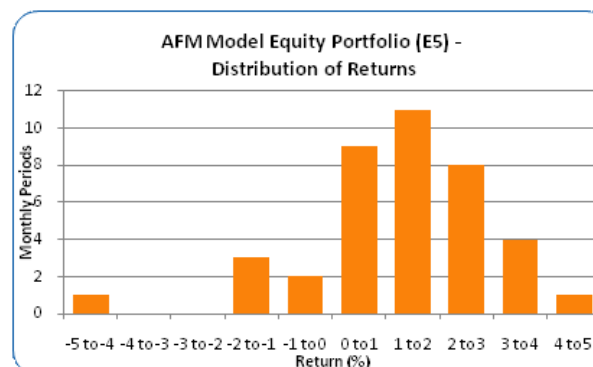
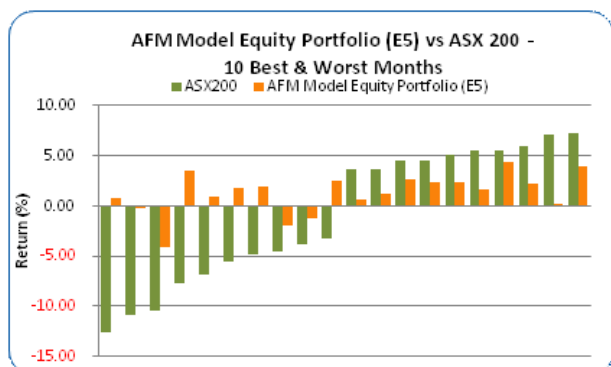
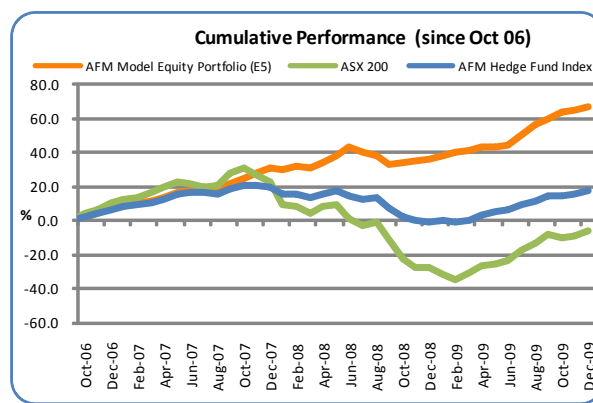
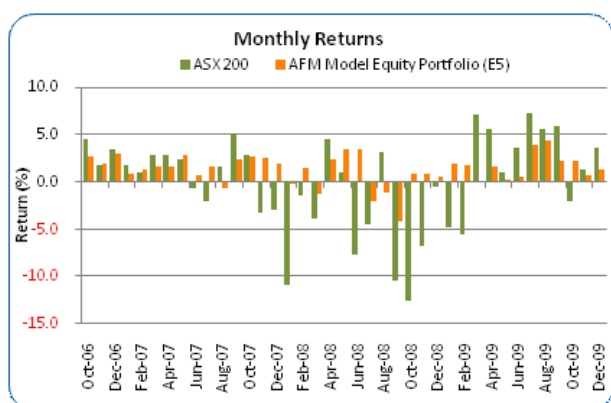
The Portfolio consists of five underlying funds, and includes Equity Long/Short and Market Neutral managers such as Fortitude Capital's Absolute Return Trust, Bennelong Funds Management's Long Short Fund and Herschel Asset Management's Absolute Return Fund.

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

Key Performance Statistics	AFM Portfolio (E5)	ASX 200
Latest Result	1.26%	3.60%
Annualised Return (since Oct 06)	17.07%	-1.72%
Last 3 Months	4.26%	2.67%
Last 6 Months	15.61%	23.14%
Last 12 Months	22.93%	30.85%
Last 24 Months	27.70%	-23.17%
% Positive Months	84.62%	58.97%
Best Month	4.39%	7.31%
Worst Month	-4.12%	-12.66%
Largest Drawdown	-7.13%	-50.48%
Average Positive Return	1.86%	3.47%
Average Negative Return	-1.57%	-5.03%
Annualised Standard Deviation	5.70%	17.31%
Downside Deviation	3.21%	14.40%
Sharpe Ratio (since Oct 06)	1.78	-0.32
Sortino Ratio	3.6	-0.50

### Performance - Net of Fees (%)

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



## AFM Model Portfolio (D10)

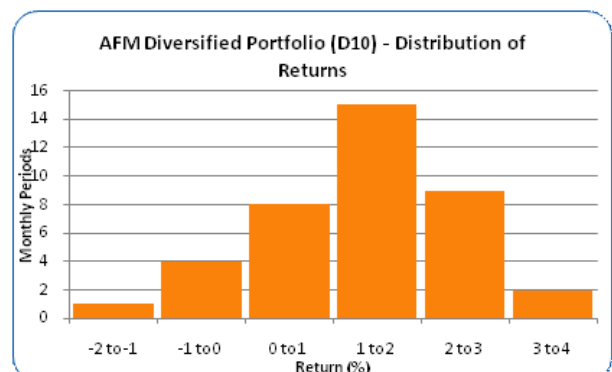
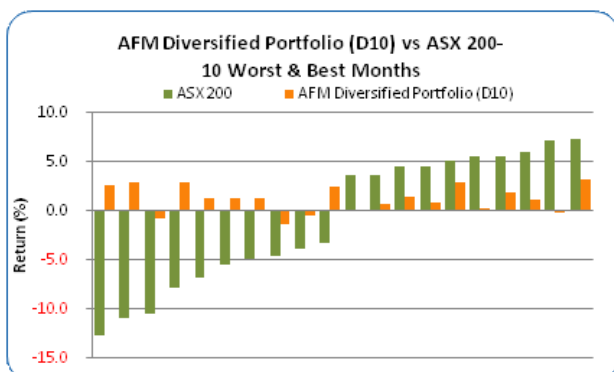
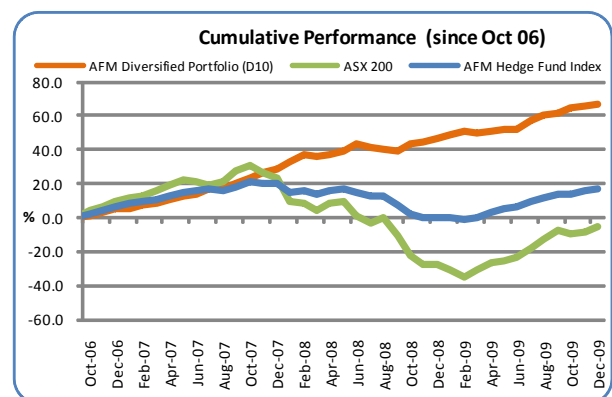
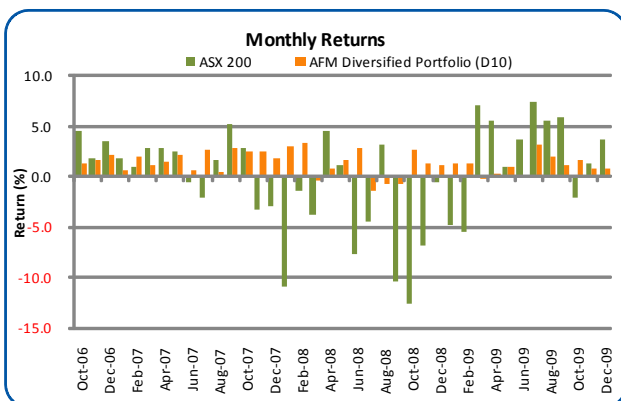
AFM's Diversified Portfolio (D10) is based on historical quantitative performance data which provides a broad ranking system to analyse the individual and overall performance of hedge funds which meet specific risk and return criteria. Each fund in the Diversified Portfolio (D10) is managed in Australia with strategies and underlying asset classes including Global Macro, Commodities, Currency, Managed Futures and Fixed Income

The D10 Model Portfolio consists of a combination of ten underlying funds equally weighted to five Equity and five Non Equity funds, and includes Equity Long/Short and Market Neutral managers such as Fortitude Capital's Absolute Return Trust, Bennelong Funds Management's Long Short Fund and Herschel Asset Management's Absolute Return Fund. Non Equity Managers include Commodity Strategies' Long Only Program, Excalibur's Currency Fund and QIC's Global Fixed Interest Alpha Fund.

Key Performance Statistics	AFM Portfolio (D10)	ASX 200
Latest Result	0.74%	3.60%
Annualised Return (since Oct 06)	17.11%	-1.72%
Last 3 Months	3.19%	2.67%
Last 6 Months	9.79%	23.14%
Last 12 Months	13.97%	30.85%
Last 24 Months	29.72%	-23.17%
% Positive Months	87.18%	58.97%
Best Month	3.34%	7.31%
Worst Month	-1.37%	-12.66%
Largest Drawdown	-2.78%	-50.48%
Average Positive Return	1.63%	3.47%
Average Negative Return	-0.68%	-5.03%
Annualised Standard Deviation	3.94%	17.31%
Downside Deviation	1.52%	14.40%
Sharpe Ratio (since Oct 06)	2.58	-0.32
Sortino Ratio	7.66	-0.50

### Performance - Net of Fees (%)

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





## Top performers by Strategy to December 2009

Equity Long Funds	Fund Inception	12 Mths	Rank	24 Mths	Rank	Annualised	Rank
Baker Steel Gold	1-Apr-03	96.93%	1	-0.96%	5	19.36%	1
OC Dynamic Equity Fund	1-Dec-00	82.79%	2	-37.58%	16	11.69%	8
OC Premium Equity Fund	1-Dec-00	73.90%	3	-37.39%	15	9.73%	11
Pengana Emerging Companies Fund	1-Nov-04	69.97%	4	-21.53%	12	16.24%	4
Allard Growth Fund	1-Dec-95	49.38%	5	6.32%	3	13.55%	7

\* Rankings compared with 17 funds in strategy

Equity Long/Short Funds	Fund Inception	12 Mths	Rank	24 Mths	Rank	Annualised	Rank
Naos Small Companies Fund	1-Jan-05	174.85%	1	-0.02%	31	14.38%	15
OC Concentrated Equity Fund	11-Nov-03	155.87%	2	7.47%	17	14.68%	14
Australian Leaders Fund	1-Jul-07	91.59%	3	22.42%	4	10.37%	32
Jaguar Australian Leaders Long Short	17-Mar-03	82.39%	4	20.43%	7	7.92%	41
PM CAPITAL Australian Opportunities	1-Jan-00	60.68%	5	-16.11%	47	11.72%	29

\* Rankings compared with 59 funds in strategy

Equity Market Neutral Funds	Fund Inception	12 Mths	Rank	24 Mths	Rank	Annualised	Rank
Regal Tasman Market Neutral Fund	3-May-07	50.65%	1	35.90%	2	23.61%	3
Regal Amazon Market Neutral Fund	17-Jun-05	38.61%	2	27.15%	3	24.19%	4
Titanium ASX 200 All-Weather Fund	1-Oct-07	27.17%	3	-	N/A	27.17%	1
Bennelong Securities Long Short Equity	1-Jan-03	23.65%	4	38.40%	1	23.78%	2
Macquarie Australian Market Neutral Fund	4-May-03	11.17%	5	4.73%	7	6.96%	8

\* Rankings compared with 10 funds in strategy

Event Driven Funds	Fund Inception	12 Mths	Rank	24 Mths	Rank	Annualised	Rank
Macquarie Special Events Fund	1-Oct-03	41.33%	1	34.12%	1	13.05%	2
Austral Equity Fund	1-Sep-97	16.93%	2	18.45%	3	13.67%	1
Pengana Asia Special Events (Offshore) Fund	1-Dec-06	14.27%	3	19.83%	2	9.94%	3
MM&E Capital Investment Trust No. 2	1-Jul-04	7.48%	4	1.05%	5	7.14%	5
MM&E Capital Investment Trust No. 1	1-Jul-02	7.13%	5	1.90%	4	7.86%	4

\* Rankings compared with 5 funds in strategy

Multi Strategy Funds	Fund Inception	12 Mths	Rank	24 Mths	Rank	Annualised	Rank
WAM Active Ltd	11-Jan-08	61.05%	1	45.56%	2	20.65%	2
Prodigal Absolute Cayman Fund	1-Jun-07	57.39%	2	25.31%	3	12.63%	4
Select Listed Investments	1-Apr-05	43.63%	3	-29.22%	19	3.74%	17
Wilson Investment Fund Ltd	31-Aug-03	29.28%	4	-15.31%	18	4.67%	14
Select Growth	3-Dec-02	25.29%	5	-8.25%	11	8.58%	5

\* Rankings compared with 20 funds in strategy

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





## Top performers by Strategy to December 2009

Currency/FX Funds	Fund Inception	12 Mths	Rank	24 Mths	Rank	Annualised	Rank
Morgan Stanley FX Alpha Plus Fund (Class A)	23-Jan-08	33.23%	1	13.52%	2	6.54%	4
Absolute Asian Currency (Trading 1) Fund	1-Jan-07	10.90%	2	17.05%	1	6.26%	5
Morgan Stanley FX Alpha Fund	23-Jan-08	9.56%	3	10.91%	5	5.31%	6
Blue Fin Capital Managed FX Account	1-Jan-02	5.14%	4	11.27%	4	9.16%	3
Excalibur Absolute Return Fund	1-Jul-06	0.99%	5	13.34%	3	15.94%	1

\* Rankings compared with 7 funds in strategy

Commodities/CTA Funds	Fund Inception	12 Mths	Rank	24 Mths	Rank	Annualised	Rank
DV01 Mechelle Ltd	1-Aug-06	48.11%	1	16.66%	6	18.18%	2
CSL Active Long Only Programme	30-Nov-99	27.78%	2	41.15%	3	13.33%	4
CSL Active Long/Short Programme	30-Sep-07	21.28%	3	46.53%	1	24.01%	1
H3 Global Commodities Fund	1-Nov-05	13.35%	4	10.49%	7	9.34%	7
Macquarie High Alpha Commodities Fund	17-Sep-07	6.42%	5	18.75%	5	12.05%	6

\* Rankings compared with 8 funds in strategy

Managed Futures Funds	Fund Inception	12 Mths	Rank	24 Mths	Rank	Annualised	Rank
Attunga Power and Enviro (Offshore) Fund	1-Jun-08	27.02%	1	-	N/A	10.18%	4
Attunga Enviro Opportunities Fund	1-Aug-06	17.44%	2	10.07%	4	34.50%	2
Zone Capital Trading Trust 1	1-Jan-04	-0.44%	3	16.49%	2	46.08%	1
Macquarie Winton Global Opportunities Trust	1-Dec-05	-3.51%	4	15.75%	3	10.37%	3
Kaiser Trading Fund	1-Apr-04	-4.32%	5	3.66%	6	7.09%	7

\* Rankings compared with 8 funds in strategy

Global Diversified Funds	Fund Inception	12 Mths	Rank	24 Mths	Rank	Annualised	Rank
HFA Diversified Investments Fund (Wholesale)	1-Apr-01	19.12%	1	-15.18%	3	4.20%	2
HFA Diversified Investments Fund (Retail)	1-Apr-01	18.75%	2	-15.80%	4	4.04%	3
FRM Absolute Alpha Fund PCC Ltd Diversified	1-Nov-02	13.39%	3	-13.22%	2	5.67%	1
Everest Alternative Investment Trust	8-Apr-05	6.18%	4	-37.38%	9	-4.23%	8
Man RMF Dynamic (AUD)	1-Jan-08	5.89%	5	0.12%	1	0.06%	6

\* Rankings compared with 9 funds in strategy

Global Macro Funds	Fund Inception	12 Mths	Rank	24 Mths	Rank	Annualised	Rank
Absolute Macro Diversified Fund (USD)	1-Jan-02	25.43%	1	-3.44%	7	7.41%	7
Blue Sky World Fund	13-Feb-06	22.66%	2	17.81%	4	22.21%	1
Absolute Macro Diversified Fund (GBP)	1-Jan-02	17.39%	3	-	N/A	-1.81%	10
Pegasus Absolute Return Fund	1-Dec-08	16.58%	4	-	N/A	16.11%	4
GMO Global Tactical Trust	29-Nov-02	8.35%	5	22.22%	3	8.73%	6

\* Rankings compared with 11 funds in strategy

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



## Top 10 League Tables to December 2009

Top 10 over 12 months	Strategy	Fund Inception	12 Mths	24 Mths	36 Mths	48 Mths	60 Mths	Annualised
Naos Small Companies Fund	Equity Long/Short	1-Jan-05	174.85%	-0.02%	21.67%	80.40%	-	14.38%
OC Concentrated Equity Fund	Equity Long/Short	11-Nov-03	155.87%	7.47%	11.56%	49.15%	61.85%	14.68%
Baker Steel Gold	Equity Long	1-Apr-03	96.93%	-0.96%	7.22%	38.24%	78.95%	19.36%
Australian Leaders Fund	Equity Long/Short	1-Jul-07	91.59%	22.42%	-	-	-	10.37%
OC Dynamic Equity Fund	Equity Long	1-Dec-00	82.79%	-37.58%	-32.99%	-9.97%	1.50%	11.69%
Jaguar Australian Leaders Long Short	Equity Long/Short	17-Mar-03	82.39%	20.43%	32.17%	37.46%	57.72%	7.92%
OC Premium Equity Fund	Equity Long	1-Dec-00	73.90%	-37.39%	-34.80%	-12.25%	-0.37%	9.73%
Pengana Emerging Companies	Equity Long	1-Nov-04	69.97%	-21.53%	5.85%	64.51%	99.46%	16.24%
WAM Active Ltd	Multi Strategy	11-Jan-08	61.05%	45.56%	-	-	-	20.65%
PM CAPITAL Australian Opportunities	Equity Long/Short	1-Jan-00	60.68%	-16.11%	-5.88%	15.55%	32.46%	11.72%

Top 10 over 24 months	Strategy	Fund Inception	12 Mths	24 Mths	36 Mths	48 Mths	60 Mths	Annualised
Access SRA Fund - SRA 16 Portfolio	Multi Strategy	22-Nov-07	7.87%	63.75%	-	-	-	26.09%
CSL Active Long/Short Programme	Commodities/CTA	30-Sep-07	21.28%	46.53%	-	-	-	24.01%
WAM Active Ltd	Multi Strategy	11-Jan-08	61.05%	45.56%	-	-	-	20.65%
Argus Dynamic Multi-strategy Program	Commodities/CTA	1-Jun-05	-2.19%	42.26%	49.26%	49.12%	88.14%	17.61%
CSL Active Long Only Programme	Commodities/CTA	30-Nov-99	27.78%	41.15%	76.54%	78.49%	113.45%	13.33%
BlackRock Asset Allocation Alpha Fund	Global Macro	29-May-06	-0.14%	40.97%	89.68%	-	-	18.48%
Global Trading Strategies Fund (Class A)	Global Macro	1-Jun-05	-3.79%	39.36%	77.41%	104.24%	-	19.57%
Bennelong Securities Long Short Equity	Equity Market Neutral	1-Jan-03	23.65%	38.40%	69.57%	154.22%	234.67%	23.78%
Regal Tasman Market Neutral Fund	Equity Market Neutral	3-May-07	50.65%	35.90%	-	-	-	23.61%
Macquarie Special Events Fund	Event Driven	1-Oct-03	41.33%	34.12%	51.12%	72.26%	85.88%	13.05%

Top 10 over 36 months	Strategy	Fund Inception	12 Mths	24 Mths	36 Mths	48 Mths	60 Mths	Annualised
Blue Sky World Fund	Global Macro	13-Feb-06	22.66%	17.81%	107.06%	-	-	22.21%
Attunga Enviro Opportunities Fund	Managed Futures	1-Aug-06	17.44%	10.07%	105.59%	-	-	34.50%
BlackRock Asset Allocation Alpha Fund	Global Macro	29-May-06	-0.14%	40.97%	89.68%	-	-	18.48%
Global Trading Strategies Fund (Class A)	Global Macro	1-Jun-05	-3.79%	39.36%	77.41%	104.24%	-	19.57%
CSL Active Long Only Programme	Commodities/CTA	30-Nov-99	27.78%	41.15%	76.54%	78.49%	113.45%	13.33%
Bennelong Securities Long Short Equity	Equity Market Neutral	1-Jan-03	23.65%	38.40%	69.57%	154.22%	234.67%	23.78%
Regal Amazon Market Neutral Fund	Equity Market Neutral	17-Jun-05	38.61%	27.15%	67.90%	139.37%	-	24.19%
AR Capital - Ascot Fund	Equity Long/Short	1-Aug-05	20.55%	26.86%	59.94%	76.13%	-	14.71%
Macquarie Special Events Fund	Event Driven	1-Oct-03	41.33%	34.12%	51.12%	72.26%	85.88%	13.05%
Argus Dynamic Multi-strategy Program	Commodities/CTA	1-Jun-05	-2.19%	42.26%	49.26%	49.12%	88.14%	17.61%



## Top 10 League Tables to December 2009

Top 10 over 48 months	Strategy	Fund Inception	12 Mths	24 Mths	36 Mths	48 Mths	60 Mths	Annualised
Bennelong Securities Long Short Equity	Equity Market Neutral	1-Jan-03	23.65%	38.40%	69.57%	154.22%	234.67%	23.78%
Regal Amazon Market Neutral Fund	Equity Market Neutral	17-Jun-05	38.61%	27.15%	67.90%	139.37%	-	24.19%
Global Trading Strategies Fund (Class A)	Global Macro	1-Jun-05	-3.79%	39.36%	77.41%	104.24%	-	19.57%
Zone Capital Trading Trust 1	Managed Futures	1-Jan-04	-0.44%	16.49%	32.63%	84.49%	537.99%	46.08%
Naos Small Companies Fund	Equity Long/Short	1-Jan-05	174.85%	-0.02%	21.67%	80.40%	-	14.38%
CSL Active Long Only Programme	Commodities/CTA	30-Nov-99	27.78%	41.15%	76.54%	78.49%	113.45%	13.33%
AR Capital - Ascot Fund	Equity Long/Short	1-Aug-05	20.55%	26.86%	59.94%	76.13%	-	14.71%
Macquarie Special Events Fund	Event Driven	1-Oct-03	41.33%	34.12%	51.12%	72.26%	85.88%	13.05%
H3 Global Currency Program	Currency/FX	1-Jul-05	-5.00%	-3.59%	33.78%	70.17%	-	15.21%
Pengana Emerging Companies Fund	Equity Long	1-Nov-04	69.97%	-21.53%	5.85%	64.51%	99.46%	16.24%

Top 10 over 60 months	Strategy	Fund Inception	12 Mths	24 Mths	36 Mths	48 Mths	60 Mths	Annualised
Zone Capital Trading Trust 1	Managed Futures	1-Jan-04	-0.44%	16.49%	32.63%	84.49%	537.99%	46.08%
Bennelong Securities Long Short Equity	Equity Market Neutral	1-Jan-03	23.65%	38.40%	69.57%	154.22%	234.67%	23.78%
Platinum Asia Fund	Equity Long/Short	3-Mar-03	39.97%	-1.09%	29.72%	52.78%	114.87%	22.19%
CSL Active Long Only Programme	Commodities/CTA	30-Nov-99	27.78%	41.15%	76.54%	78.49%	113.45%	13.33%
Pengana Emerging Companies Fund	Equity Long	1-Nov-04	69.97%	-21.53%	5.85%	64.51%	99.46%	16.24%
Platypus Australian Equity Fund	Equity Long	1-Dec-98	46.51%	-19.33%	7.89%	50.37%	93.47%	16.10%
K2 Select International Absolute Return	Equity Long/Short	1-Jan-05	31.89%	2.32%	16.51%	54.95%	91.21%	13.84%
Argus Dynamic Multi-strategy Program	Commodities/CTA	1-Jun-05	-2.19%	42.26%	49.26%	49.12%	88.14%	17.61%
Macquarie Special Events Fund	Event Driven	1-Oct-03	41.33%	34.12%	51.12%	72.26%	85.88%	13.05%
Baker Steel Gold	Equity Long	1-Apr-03	96.93%	-0.96%	7.22%	38.24%	78.95%	19.36%

Top 10 Annualised Returns	Strategy	Fund Inception	12 Mths	24 Mths	36 Mths	48 Mths	60 Mths	Annualised
Zone Capital Trading Trust 1	Managed Futures	1-Jan-04	-0.44%	16.49%	32.63%	84.49%	537.99%	46.08%
Attunga Enviro Opportunities Fund	Managed Futures	1-Aug-06	17.44%	10.07%	105.59%	-	-	34.50%
Titanium ASX 200 All-Weather Fund	Equity Market Neutral	1-Oct-07	27.17%	-	-	-	-	27.17%
Access SRA Fund - SRA 16 Portfolio	Multi Strategy	22-Nov-07	7.87%	63.75%	-	-	-	26.09%
Regal Amazon Market Neutral Fund	Equity Market Neutral	17-Jun-05	38.61%	27.15%	67.90%	139.37%	-	24.19%
CSL Active Long/Short Programme	Commodities/CTA	30-Sep-07	21.28%	46.53%	-	-	-	24.01%
Bennelong Securities Long Short Equity	Equity Market Neutral	1-Jan-03	23.65%	38.40%	69.57%	154.22%	234.67%	23.78%
Regal Tasman Market Neutral Fund	Equity Market Neutral	3-May-07	50.65%	35.90%	-	-	-	23.61%
Blue Sky World Fund	Global Macro	13-Feb-06	22.66%	17.81%	107.06%	-	-	22.21%
Platinum Asia Fund	Equity Long/Short	3-Mar-03	39.97%	-1.09%	29.72%	52.78%	114.87%	22.19%



## Top performing funds in 2009 - Single Managers

Fund Name	Strategy	Fund Inception	12 Mths	Rank	24 Mths	Rank	Annualised	Rank
Naos Small Companies Fund	Equity Long/Short	1-Jan-05	174.85%	1	-0.02%	79	14.38%	38
OC Concentrated Equity Fund	Equity Long/Short	11-Nov-03	155.87%	2	7.47%	59	14.68%	37
Baker Steel Gold	Equity Long	1-Apr-03	96.93%	3	-0.96%	81	19.36%	15
Australian Leaders Fund	Equity Long/Short	1-Jul-07	91.59%	4	22.42%	15	10.37%	69
OC Dynamic Equity Fund	Equity Long	1-Dec-00	82.79%	5	-37.58%	129	11.69%	60
Jaguar Australian Leaders Long Short	Equity Long/Short	17-Mar-03	82.39%	6	20.43%	21	7.92%	92
OC Premium Equity Fund	Equity Long	1-Dec-00	73.90%	7	-37.39%	128	9.73%	75
Pengana Emerging Companies Fund	Equity Long	1-Nov-04	69.97%	8	-21.53%	116	16.24%	26
WAM Active Ltd	Multi Strategy	11-Jan-08	61.05%	9	45.56%	2	20.65%	11
PM CAPITAL Australian Opportunities	Equity Long/Short	1-Jan-00	60.68%	10	-16.11%	110	11.72%	59
Prodigal Absolute Cayman Fund	Multi Strategy	1-Jun-07	57.39%	11	25.31%	14	12.63%	53
Pengana Global Resources Fund	Equity Long/Short	1-Jan-07	53.06%	12	2.76%	71	16.27%	25
WAM Capital Ltd	Equity Long/Short	1-Aug-99	50.82%	13	2.30%	73	19.81%	12
Regal Tasman Market Neutral Fund	Equity Market Neutral	3-May-07	50.65%	14	35.90%	8	23.61%	7
Allard Growth Fund	Equity Long	1-Dec-95	49.38%	15	6.32%	62	13.55%	44
DV01 Mechelle Ltd	Commodities/CTA	1-Aug-06	48.11%	16	16.66%	34	18.18%	20
Platypus Australian Equity Fund	Equity Long	1-Dec-98	46.51%	17	-19.33%	112	16.10%	28
Katana Capital Ltd	Equity Long	1-Sep-05	45.09%	18	-18.45%	111	0.04%	129
Cadence Capital Limited	Equity Long/Short	1-Oct-05	44.28%	19	-5.84%	96	12.00%	56
MM&E Takeover Target Fund	Equity Long/Short	12-Aug-05	43.50%	20	-0.76%	80	11.77%	57
Aviva Investors High Growth Shares Fund	Equity Long/Short	7-Dec-99	43.10%	21	-3.92%	93	13.68%	42
WaveStone Capital Absolute Return Fund	Equity Long/Short	1-Sep-06	41.58%	22	12.26%	42	16.28%	24
Macquarie Special Events Fund	Event Driven	1-Oct-03	41.33%	23	34.12%	9	13.05%	49
K2 Australian Absolute Return Fund	Equity Long/Short	1-Oct-99	41.06%	24	14.94%	37	15.70%	30
Pengana Australian Equities Core Fund	Equity Long	1-Jul-08	40.86%	25	-	N/A	14.90%	34
K2 Asian Absolute Return Fund	Equity Long/Short	1-Sep-99	40.78%	26	0.92%	77	13.82%	41
Elstree Enhanced Income Fund	Convertible Arbitrage	20-Aug-03	40.59%	27	-10.60%	105	3.22%	116
Macquarie Australian Long Short Equitised	Equity Long/Short	4-May-03	40.57%	28	-25.15%	122	12.96%	50
Pengana Australian Equities Long Short	Equity Long/Short	10-May-04	40.49%	29	-5.68%	95	10.90%	64
Platinum Asia Fund	Equity Long/Short	3-Mar-03	39.97%	30	-1.09%	82	22.19%	9
Macquarie Alpha Opportunities Fund	Equity Long/Short	29-Jun-05	38.71%	31	-20.64%	115	8.51%	86
Regal Amazon Market Neutral Fund	Equity Market Neutral	17-Jun-05	38.61%	32	27.15%	11	24.19%	4
Australian Enhanced Income Fund	Convertible Arbitrage	17-Oct-06	36.24%	33	-11.36%	106	-2.71%	133
Prime Value Imputation Fund	Equity Long	20-Dec-01	34.66%	34	-19.98%	113	16.67%	23
Plato Australian Shares Core Fund	Equity Long	30-Oct-06	34.35%	35	-20.54%	114	0.62%	127
Morgan Stanley FX Alpha Plus Fund (Class A)	Currency/FX	23-Jan-08	33.23%	36	13.52%	39	6.54%	102
GlenBridge Australian Equities Fund	Equity Long/Short	1-Jun-02	33.03%	37	17.23%	32	15.11%	33
PM CAPITAL Absolute Performance	Equity Long/Short	1-Oct-98	31.99%	38	-25.01%	121	5.83%	109
K2 Select International Absolute Return	Equity Long/Short	1-Jan-05	31.89%	39	2.32%	72	13.84%	40
Platinum International Brands Fund	Equity Long/Short	18-May-00	31.65%	40	7.50%	58	13.24%	47
Prime Value Growth Fund	Equity Long	10-Apr-98	31.18%	41	-10.15%	102	16.74%	22
Platinum International Technology Fund	Equity Long/Short	18-May-00	30.95%	42	11.62%	44	9.05%	83
Platinum Unhedged Fund	Equity Long	31-Jan-05	30.77%	43	3.78%	68	10.79%	67
Lodestar Australian Absolute Return Fund	Equity Long/Short	30-Jun-05	29.93%	44	-1.97%	84	8.68%	85

Ranking compared to other single funds (139 in total)

## Top performing funds in 2009 - Fund of Funds

Fund Name	Strategy	Fund Inception	12 Mths	Rank	24 Mths	Rank	Annualised	Rank
Select Listed Investments	Multi Strategy	1-Apr-05	43.63%	1	-29.22%	26	3.74%	18
Pengana Global Small Companies Solution	Equity Long	1-Nov-05	27.18%	2	-33.41%	28	-6.97%	29
Select Growth	Multi Strategy	3-Dec-02	25.29%	3	-8.25%	12	8.58%	3
HFA Diversified Investments Fund (Wholesale)	Global Diversified	1-Apr-01	19.12%	4	-15.18%	21	4.20%	15
HFA Diversified Investments Fund (Retail)	Global Diversified	1-Apr-01	18.75%	5	-15.80%	22	4.04%	17
Access SRA Fund - SRA 9 Portfolio	Multi Strategy	22-Nov-07	16.62%	6	14.68%	3	6.57%	7
FRM Global Equity Fund	Equity Long/Short	1-Aug-04	16.20%	7	-14.39%	20	0.02%	25
FRM Absolute Alpha Fund PCC Ltd Diversified	Global Diversified	1-Nov-02	13.39%	8	-13.22%	16	5.67%	12
Select Defensive Portfolios	Multi Strategy	3-Dec-02	13.26%	9	-5.07%	11	7.03%	5
Select Alternatives Portfolio	Multi Strategy	1-Jul-03	12.72%	10	-4.86%	10	7.67%	4
Ashton Performance Fund EUR	Multi Strategy	1-Nov-05	9.50%	11	-13.88%	18	4.44%	14
Ashton Performance Fund GBP	Multi Strategy	1-Nov-05	9.24%	12	-14.19%	19	5.34%	13
Ashton Performance Fund USD	Multi Strategy	1-Nov-05	8.39%	13	-13.37%	17	5.68%	11
HFA International Shares Fund (Wholesale)	Equity Long/Short	1-Apr-01	8.17%	14	3.02%	7	5.86%	10
Access SRA Fund - SRA 16 Portfolio	Multi Strategy	22-Nov-07	7.87%	15	63.75%	1	26.09%	1
HFA International Shares Fund (Retail)	Equity Long/Short	1-Apr-01	6.81%	16	1.13%	8	5.92%	9
Ashton Select Fund GBP	Multi Strategy	1-Nov-05	6.36%	17	-10.88%	14	2.57%	20
Ashton Select Fund USD	Multi Strategy	1-Nov-05	6.25%	18	-10.44%	13	2.59%	19
Everest Alternative Investment Trust	Global Diversified	8-Apr-05	6.18%	19	-37.38%	30	-4.23%	27
Access SRA Fund - SRA 4 Portfolio	Multi Strategy	22-Nov-07	6.17%	20	13.26%	4	5.93%	8
Ashton Select Fund EUR	Multi Strategy	1-Nov-05	5.93%	21	-12.16%	15	1.34%	23
Man RMF Dynamic (AUD)	Global Diversified	1-Jan-08	5.89%	22	0.12%	9	0.06%	24
Everest Absolute Return Fund I	Global Diversified	1-Oct-03	0.86%	23	-21.65%	24	1.85%	22
Everest Absolute Return Fund II	Global Diversified	1-Jun-04	0.41%	24	-17.26%	23	1.97%	21
Everest Absolute Return Fund III	Global Diversified	28-Aug-06	-0.69%	25	-23.74%	25	-4.22%	26
GMO Multi Strategy Trust	Multi Strategy	29-Nov-02	-1.57%	26	8.92%	5	4.18%	16
ANZ Discovery Asia Fund	Equity Long/Short	30-Jun-08	-1.96%	27	-	N/A	-19.28%	31
AMP Capital Total Return Fund	Global Diversified	29-Apr-04	-2.06%	28	-34.56%	29	-6.47%	28
HFA Retrospective Fund	Equity Long/Short	1-Jan-08	-2.82%	29	-32.04%	27	-17.56%	30
APAM Absolute Equity - Asia Fund	Equity Long/Short	9-Mar-06	-3.98%	30	6.35%	6	6.99%	6
FRM Sigma Fund Limited - Class A	Commodities/CTA	1-Nov-05	-10.19%	31	19.67%	2	12.16%	2

Ranking compared to other fund of funds (31 in total)