

Theta Multistar Medium Volatility

Monthly Commentary

January 2008

The Theta Multistar Medium Volatility Portfolio lost 1.77% in January. In reference the HFRI Fund of Funds Index lost 2.48%, the MSCI World lost 8.46% and the JP Morgan Government Bond index gained 2.43%. All figures are presented hedged into Euros.

With equity markets down over 8% worldwide, led by emerging markets and Europe, we are reasonably satisfied with the result for January 2008. As can be seen from the main indices, hedge funds in general struggled this month.

We are pleased with by the significant contributions from some of our managers that have been aggressively shorting segments of the market in anticipation of a sell-off. Other managers, with a long bias, managed to limit the downside. Our portfolio construction has been reasonably effective in what has been one of the most difficult starts of the year for financial markets in recent years. The star performer was one of our global macro funds. This fund gained around 31% in the last quarter of 2007 and returned just over 24% in January. The themes in January were similar to those of the last quarter: short positions in highly leveraged segments and long positions in oil and gold.

Another good performer was our dedicated short credit fund which returned around 17% for the month. This fund has a widely diversified basket of credit protection on individual corporates where the manager sees considerable widening in a tougher environment.

The largest detractor was a long short equity manager who returned more than 30% in 2007 and who has been compounding annually at around 35% since 1996. The fund still carries a long equity exposure in the US, Asia and Eastern Europe and lost 11% for the month. Another macro fund with similar long exposures, successfully hedged itself through a basket of protection against the widening of European sovereign debt. With the potential of a serious recession in the EU and repricing of credit risk we view this as an interesting hedge.

Dispersion of returns is increasing in the current market environment but we believe that our current portfolio is well positioned to produce positive returns in the volatile times ahead.

Performance*	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008	-1.77%												-1.77%
2007	0.85%	2.21%	1.30%	0.41%	1.94%	2.32%	2.90%	-2.99%	-0.51%	3.03%	-2.80%	0.15%	8.93%
2006	4.42%	0.72%	0.86%	2.03%	-2.14%	-0.66%	-0.28%	0.86%	-0.95%	0.94%	1.20%	2.33%	9.58%
2005	1.63%	3.24%	-0.88%	-1.72%	0.64%	0.90%	2.38%	1.71%	2.96%	-2.59%	1.28%	1.80%	11.76%
2004	1.45%	1.46%	-0.40%	-1.57%	-1.32%	0.19%	-0.46%	-0.32%	1.27%	1.11%	3.29%	2.01%	6.80%
2003	0.96%	0.18%	-0.63%	1.35%	2.11%	0.75%	0.69%	1.17%	1.05%	1.90%	0.56%	2.02%	12.77%

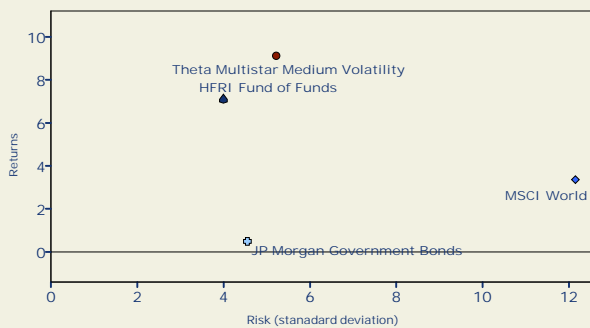
Return table*	Theta Multistar Medium Volatility	HFRI Fund of Funds	MSCI World	JP Morgan Government Bonds
Net Asset Value as of February 2008	€1,379.82			
YTD	-1.77%	-2.48%	-8.46%	2.43%
2007	8.93%	9.06%	2.32%	-0.06%
2006	9.58%	8.08%	12.22%	-5.24%
2005	11.76%	6.12%	12.89%	7.71%
2004	6.80%	7.44%	9.62%	2.17%
2003	12.77%	12.86%	23.46%	-4.73%
Annualized Compounded Return	9.11%	7.09%	3.35%	0.49%
Sharpe Ratio	1.15	1.02	0.10	-
% Positive Months	72.60%	73.97%	60.27%	49.32%
Correlation (Theta Multistar with ...)	1.00	0.84	0.41	-0.26
Beta (Theta Multistar with ...)	1.00	1.10	0.18	-0.29
Alpha (Theta Multistar over ...)		1.54%		

Risk table*	Theta Multistar Medium Volatility	HFRI Fund of Funds	MSCI World	JP Morgan Government Bonds
Annualized standard deviation (%)	5.22%	4.00%	12.15%	4.55%
Maximum Drawdown (%)	-4.91%	-3.59%	-28.97%	-8.47%
Average Gain Positive Months (%)	1.48%	1.12%	2.49%	1.17%
Average Loss Negative Months (%)	-1.23%	-0.96%	-3.00%	-1.04%

* From January 2003 to January 2004 performance of medium volatility Theta client portfolios; thereafter Theta Multistar Medium Volatility Fund. All figures are net of all fees. All indices hedged to EUR. Past results are not necessarily a guide to future performance. For this product, a "Financiële Bijsluiter" has been prepared, which is available upon request. Theta Multistar Fund is regulated by Autoriteit Financiële Markten.

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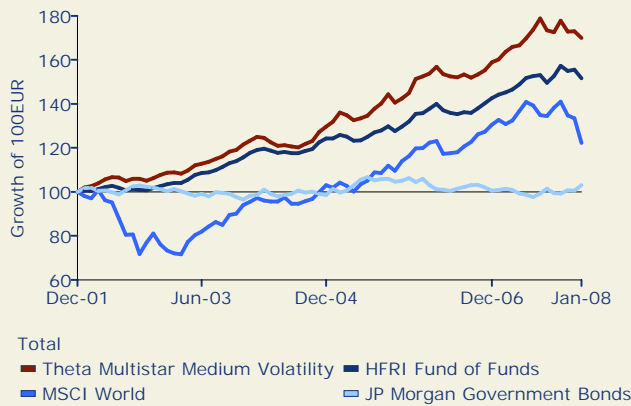
Risk/ reward profile: Jan 2002 to Jan 2008



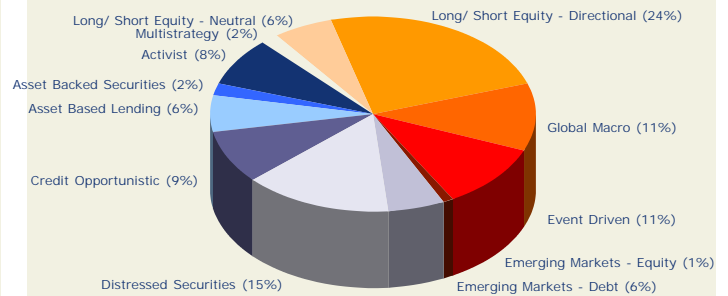
Information

Subscription	Monthly
Redemption	Monthly
Redemption Notice	40 days notice
Management Fee	1.25%
Incentive Fee	10%
Hurdle Rate	Euribor (3m) + 2.0%
Lockup	No
High Water Mark	Yes
Custodian	KDTC Trust
Auditor	Ernst & Young
Reporting Frequency	Monthly
Currency	Euro
Inception	Jan-04
Bloomberg Ticker	THMDVOL NA

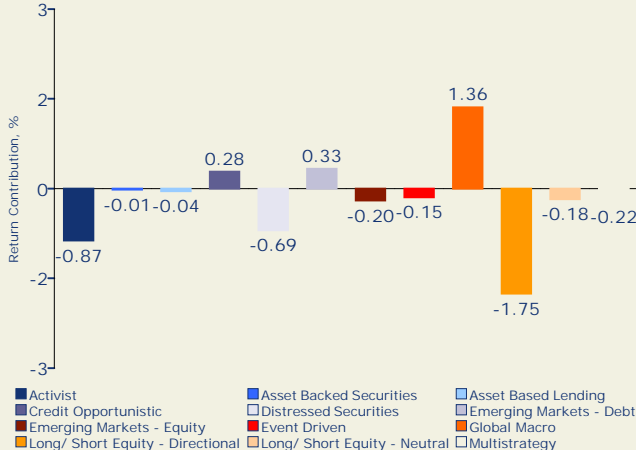
Cumulative return: Jan 2002 to Jan 2008



Strategy allocation Jan 2008



Attribution gross performance by strategy Jan 2008



Fund versus indices

	Jan-02 - Jan-08
Capture Ratio when MSCI up	48.11%
Average return when MSCI up	1.25%
Capture Ratio When MSCI down	1.79%
Average Return when MSCI down	-0.05%
Capture Ratio when JPM Bond Index up	38.83%
Average Return when JPM Bond Index up	0.46%
Capture Ratio when JPM Bond Index down	-100.01%
Average Return when JPM Bond Index down	0.99%
Capture Ratio when HFR1 Index up	124.08%
Average Return when HFR1 Index up	1.37%
Capture Ratio when HFR1 Index down	111.85%
Average Return when HFR1 Index down	-1.08%

The Capture Ratio calculates the portion of market performance that was captured by the Fund under up and down markets. A positive upmarket capture and a negative downmarket capture indicate absolute returns versus the benchmark.