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Theta Multistar Medium Volatility

Monthly Commentary — *February 2008*

The Theta Multistar Medium Volatility PortfolioFund lost 1.3% in February bringing the year-to-date number to a negative 3.05%. In reference, the HFRI Fund of Funds index gained 1.89% (-1.00% ytd) and the MSCI world lost 1.77% (-10.08% ytd).

February changed from a rather strong month into a frustrating month. Two thirds of the funds in the portfolio reported positive numbers, with some being able to handsomely profit from the continuous turmoil in mainly the credit markets. On the negative side we had one very big detractor this month. The fund, a European activist mainly active in the Swiss market had concentrated positions in relatively small companies and employed a modest amount of leverage. After a 9% drawdown in January, the first half of February also proved difficult and in order to keep its leverage down the fund accepted a bid on one of its holdings. However, this transaction backfired as it created rumours that the fund was a forced seller. This led to a drastic fall in the names of the core holdings and margin calls of its prime brokers forced liquidation of the fund followed with very significant losses. We have been talking about the credit crunch for a long time and have actively redeemed out of vulnerable funds and added funds that carry a lot of protection.

So far, our conservative stance has worked well. We are continuously reviewing our portfolios and we believe currently we have limited if any exposure left to funds with a combination of illiquid positions and leverage; no long mortgage backed securities and no highly leveraged exposure to bank loans or structured products. As February shows, we need to remain alert as one problem of this magnitude can undo a lot of good work. After having gone through the portfolio with a fine toothcomb, we are confident of achieving a good result for the full year.

The biggest positive contributors had short corporate credit positions. Also Asia and emerging markets equity contributed nicely, as did global macro. Actually, besides the fund mentioned above, we had only one fund losing more than 2%. This gives us comfort that this environment creates many opportunities for funds that can trade the market both from the long and the short side and do see the current volatility not as a threat but actually an opportunity to make money. We note that our mandate to achieve absolute returns on a medium-term horizon does not preclude modest losses in any single month. That being said, these situations are inherent to hedge fund investing and are the main reason to be well-diversified across many funds and strategies.

Performance*	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008	-1.77%	-1.30%											-3.05%
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 March 2008	€1,361.94			
YTD	-3.05%	-1.00%	-10.08%	2.29%
2007	8.93%	9.07%	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	8.76%	7.26%	3.01%	0.46%
Sharpe Ratio	1.08	1.04	0.07	-
% Positive Months	71.62%	74.32%	59.46%	48.65%
Correlation (Theta Multistar with ...)	1.00	0.80	0.42	-0.25
Beta (Theta Multistar with ...)	1.00	1.04	0.19	-0.28
Alpha (Theta Multistar over ...)		1.28%		

Risk table*	Theta Multistar Medium Volatility	HFRI Fund of Funds	MSCI World	JP Morgan Government Bonds
Annualized standard deviation (%)	5.25%	4.05%	12.09%	4.52%
Maximum Drawdown (%)	-6.15%	-3.92%	-28.97%	-8.47%
Average Gain Positive Months (%)	1.48%	1.13%	2.49%	1.17%
Average Loss Negative Months (%)	-1.23%	-0.98%	-2.96%	-1.02%

* From January 2003 to January 2004 peformance 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 preformance. 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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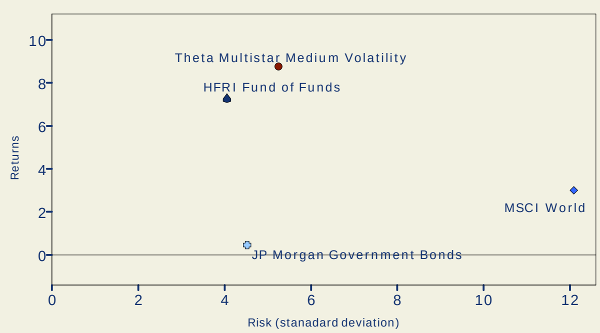
Portfolio Analysis

February 2008

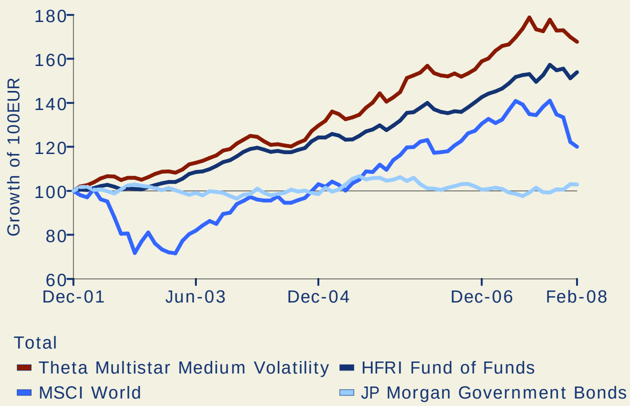
Risk/ reward profile: Jan 2002 to Feb 2008



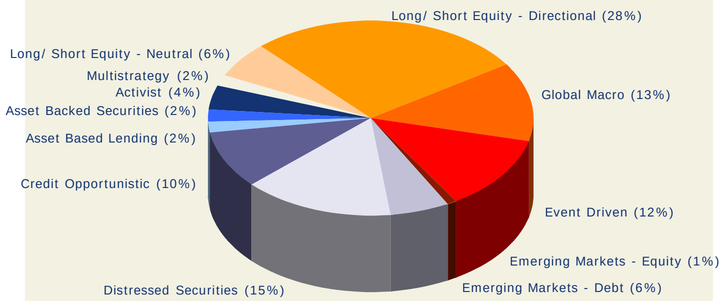
Information

Subscription	Monthly
Redemption	Monthly
Redemption Notice	40 days notice
Managment 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

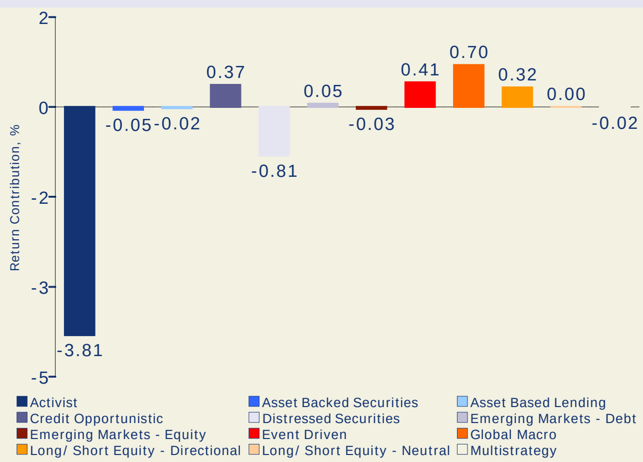
Cumulative return: Jan 2002 to Feb 2008



Strategy allocation Feb 2008



Attribution gross performance by strategy Feb 2008



Fund versus indices

Fund versus indices	Jan-02 - Feb-08
Capture Ratio when MSCI up	48.14%
Average return when MSCI up	1.25%
Capture Ratio When MSCI down	3.31%
Average Return when MSCI down	-0.09%
Capture Ratio when JPM Bond Index up	38.84%
Average Return when JPM Bond Index up	0.46%
Capture Ratio when JPM Bond Index down	-95.92%
Average Return when JPM Bond Index down	0.93%
Capture Ratio when HFRI Index up	117.82%
Average Return when HFRI Index up	1.32%
Capture Ratio when HFRI Index down	109.68%
Average Return when HFRI 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.