

## Monthly Commentary

March 2009

The Theta Multistar Medium Volatility Fund lost 2.44% in March which brings the year-to-date figure to -0.27%. In reference the HFRI Fund of Funds Index gained 0.04% (0.73% YTD) and the MSCI World gained 5.87% (-11.07% YTD). All figures are presented hedged into Euros.

We saw a sharp reversal of sentiment in March with some developed equity markets producing their strongest rally since 70 years, just after hitting multi-year lows in March' first week. Volatility remains high and clearly also up-movements can be quite violent. For the year however, the MSCI World is still down double digits. The extent of the rally hurt the Medium Volatility Fund as most managers still hold neutral to net short positions. We hold no final judgment as to whether this rally is a bear market rally, or whether it is a sustainable first step to recovery on financial markets. We do feel strongly however, that it would be too early to become bullish at this point with still a lot of uncertainty looming and with the tails in the range of possible outcomes still far wider than normal.

Taking a closer look at the portfolio's return in March it was mostly balanced with half our underlying managers making money and half of them losing money. Losses on average were only slightly higher and a result of the net short position. The notable exception was our Texas based global macro manager who lost 26% through their short financials and short European sovereign debt positions.

This was the worst month ever reported by this fund which is still averaging annualized returns of 35% since inception in 2001 and after March ended the first quarter only down a couple of percent. The position caused more than half of the loss for the Medium Volatility fund in March. Overall we have seen our managers reducing their shorts and increasing their longs somewhat on the back of this rally. This mechanism is the reason that our portfolio tends to be hurt most in months with sharp reversals: managers need some time to adjust to the new market reality.

With the impact of acute deleveraging abating, we are seeing a return to fundamentals to some degree. The immediate result is that credit and stock selection start to matter again, both on the long and short side. The mispricings caused by the financial crisis makes that current markets offer tremendous opportunity. We believe there is especially value in trading oriented strategies such as global macro and liquid long short equity. The obvious next step would be investing in credit securities. With banks still reducing leverage, and most investors being seriously impaired, there is a lack of available capital to step in to capitalize on this. These developments lead us to be bullish on the outlook for most hedge fund strategies. With a well diversified portfolio of hedge funds in good shape, the Multistar Medium Volatility fund is in a strong position to profit from this.

Performance*	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	1.53%	0.68%	-2.44%										-0.27%
2008	-1.77%	-1.30%	-3.74%	-0.60%	1.30%	1.59%	-3.56%	-2.31%	-4.63%	-9.73%	-2.20%	-0.58%	-24.71%
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 April 2009	€1,054.49			
YTD	-0.27%	0.73%	-11.07%	-0.27%
2008	-24.71%	-20.07%	-40.73%	17.80%
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	3.05%	3.25%	-1.25%	2.49%
Sharpe Ratio	0.05	0.08	-0.22	-
% Positive Months	64.00%	69.33%	60.00%	48.00%

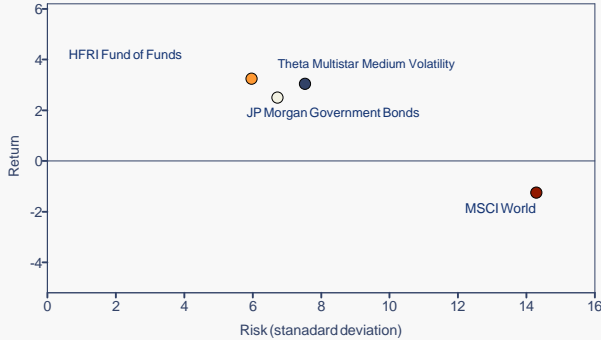
Risk table*	Theta Multistar Medium Volatility	HFRI Fund of Funds	MSCI World	JP Morgan Government Bonds
Annualized standard deviation (%)	7.53%	5.97%	14.29%	6.73%
Maximum Drawdown (%)	-27.32%	-20.96%	-52.85%	-8.47%
Average Gain Positive Months (%)	1.53%	1.17%	2.40%	1.72%

\* 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.

## Portfolio Analysis

March 2009

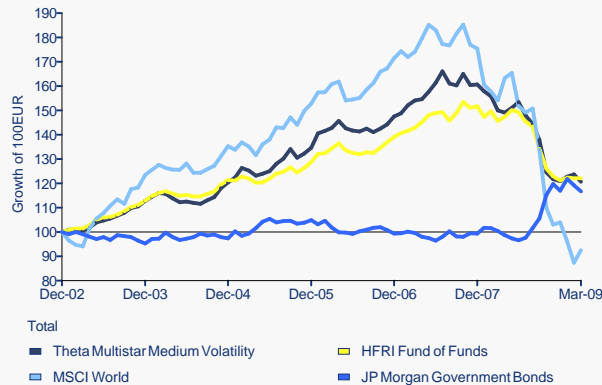
### Risk/ reward profile: Jan 2003 to Mar 2009



### Fund Information

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

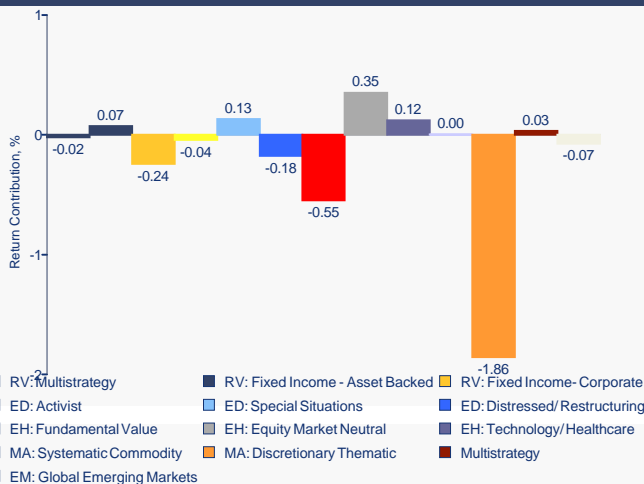
### Cumulative return: Jan 2003 to Mar 2009



### Strategy allocation Mar 2009

RV: Multistrategy	4%
RV: Fixed Income - Asset Backed	11%
RV: Fixed Income- Corporate	2%
ED: Activist	3%
ED: Special Situations	6%
ED: Distressed/ Restructuring	8%
EH: Fundamental Value	9%
EH: Equity Market Neutral	5%
EH: Technology/ Healthcare	3%
MA: Systematic Commodity	3%
MA: Discretionary Thematic	16%
Multistrategy	4%
EM: Global Emerging Markets	26%

### Attribution gross performance by strategy Mar 2009



### Fund versus indices

Jan-03 - Mar-09

Capture Ratio when MSCI up	42.29%
Average return when MSCI up	1.06%
Capture Ratio When MSCI down	26.74%
Average Return when MSCI down	-0.95%
Capture Ratio when JPM Bond Index up	-13.59%
Average Return when JPM Bond Index up	-0.24%
Capture Ratio when JPM Bond Index down	-63.69%
Average Return when JPM Bond Index down	0.71%
Capture Ratio when HFRI Index up	104.23%
Average Return when HFRI Index up	1.21%
Capture Ratio when HFRI Index down	108.71%
Average Return when HFRI Index down	-1.90%

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.