

## Monthly Commentary

July 2009

The Theta Multistar Medium Volatility Fund gained 2.3% in July. The HFRI Fund of Funds Index gained 1.47% and the MSCI World gained 7.33%. All figures are presented hedged into Euros.

July was another volatile month for stock markets, which fell by 6% before rallying sharply to close up 10%. Global economic data in the second half of the month improved. Global growth momentum is broadening and deepening. The caveat is the underlying weakness of developed market economies. With the developed world constantly walking a tightrope between inflation and deflation scares, markets are likely to remain volatile.

The Multistar Medium Volatility Fund had a strong month with most underlying funds posting positive results. There were two meaningful detractors costing the fund 23bps in aggregate. Both are funds that we would expect to lose money in such a sharp rally. On the other hand this predictable behavior also means that they typically make money when markets go down.

One detractor was a UK based global long short equity fund. The fund manager was one of the earliest to go net short equities in November 2007, and has since then consistently stuck to his bearish view. The manager is skeptical about consumer demand growth in China and sees no reason to become more positive on the West, leaving equities with few attractions in his view.

The largest contributors were funds active in long short equity and global macro. Some funds that had disappointed in the year to June, performed strongly. Our long short oil manager staged a notable recovery during the month, ending up 30bps after being down over 12% by mid month.

The two managers we added last month did well and ended up respectively 1.5% and 4.7%. We were also pleased by the fact that we were not impacted by the losses of the two short biased managers we had redeemed per July 1<sup>st</sup>. They both recorded double digit losses for July. In general we continue to see good opportunities for managers in actively traded strategies that can profit from ongoing volatility. Over the last couple of months we have positioned the portfolio accordingly.

Performance*	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	1.53%	0.68%	-2.44%	-1.31%	2.38%	-0.29%	2.28%						<b>2.76%</b>
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%	<b>-24.71%</b>
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%	<b>8.93%</b>
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%	<b>9.58%</b>
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%	<b>11.76%</b>
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%	<b>6.80%</b>
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%	<b>12.77%</b>

Return table*	Theta Multistar Medium Volatility	HFRI Fund of Funds	MSCI World	JP Morgan Government Bonds
Net Asset Value as of July 31, 2009	€1,086.60			
YTD	2.76%	7.38%	10.18%	-2.32%
2008	-24.71%	-20.03%	-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%
Annualized Compounded Return	3.36%	4.10%	2.08%	2.05%
Sharpe Ratio	0.10	0.23	0.03	-
% Positive Months	63.29%	70.89%	60.76%	49.37%
Correlation (Theta Multistar with ...)	1.00	0.85	0.55	-0.50

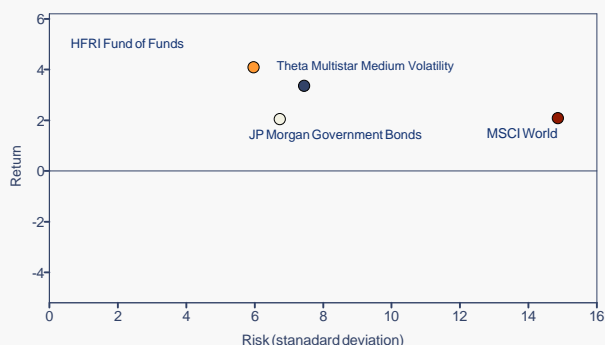
Risk table*	Theta Multistar Medium Volatility	HFRI Fund of Funds	MSCI World	JP Morgan Government Bonds
Annualized standard deviation (%)	7.45%	5.96%	14.86%	6.73%
Maximum Drawdown (%)	-28.27%	-20.92%	-52.85%	-8.47%
Average Gain Positive Months (%)	1.56%	1.20%	2.71%	1.63%

\* 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

July 2009

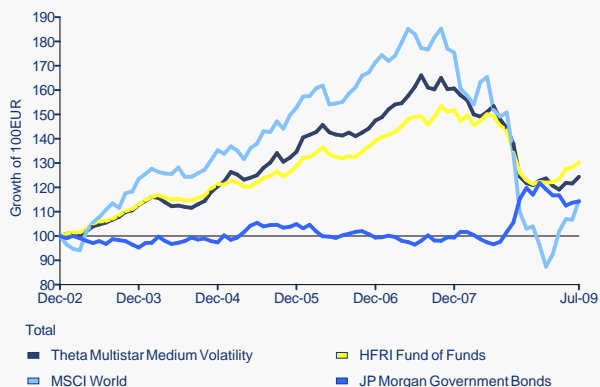
### Risk/ reward profile: Jan 2003 to Jul 2009



### 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

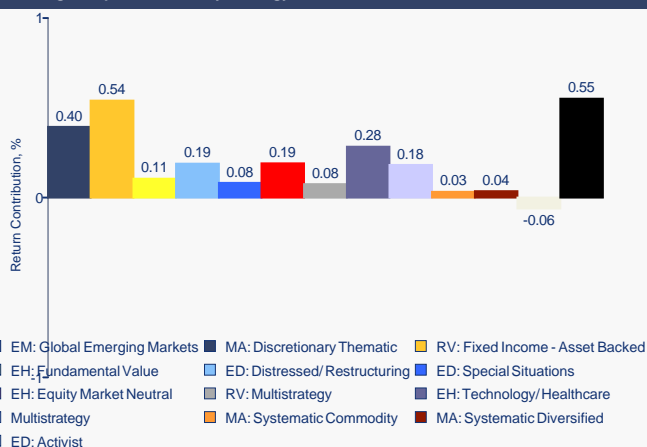
### Cumulative return: Jan 2003 to Jul 2009



### Strategy allocation Jul 2009

	%
EM: Global Emerging Markets	19
MA: Discretionary Thematic	21
RV: Fixed Income - Asset Backed	9
EH: Fundamental Value	11
ED: Distressed/ Restructuring	5
ED: Special Situations	5
EH: Equity Market Neutral	3
RV: Multistrategy	7
EH: Technology/ Healthcare	5
Multistrategy	2
MA: Systematic Commodity	5
MA: Systematic Diversified	4
ED: Activist	4

### Attribution gross performance by strategy Jul 2009



### Fund versus indices

	Jan-03 - Jul-09
Capture Ratio when MSCI up	37.16%
Average return when MSCI up	1.06%
Capture Ratio When MSCI down	26.87%
Average Return when MSCI down	-0.93%
Capture Ratio when JPM Bond Index up	-12.31%
Average Return when JPM Bond Index up	-0.21%
Capture Ratio when JPM Bond Index down	-64.13%
Average Return when JPM Bond Index down	0.75%
Capture Ratio when HFR1 Index up	98.33%
Average Return when HFR1 Index up	1.18%
Capture Ratio when HFR1 Index down	108.62%
Average Return when HFR1 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.