

Monthly Commentary

October 2009

The Theta Multistar Medium Volatility Fund gained 0.31% in October, bringing the year-to-date return to 4.87%. The HFRI Fund of Funds Index lost 0.11% and the MSCI World lost 2.30%. All figures are presented hedged into Euros.

October was a difficult month for markets in general, perhaps not surprising after we have seen such a strong run-up in markets since March. The incentive to take profits was strengthened by continued nervousness about the underlying strength of the recovery as well as ongoing fears about further regulation by governments of the world's financial markets in general and the financial sector in particular. A poorly received rights issue by ING had a significant impact on the financial sector during the month as it highlighted once again the need for various institutions to raise cash in order to bolster their balance sheets.

Given the uncertain outlook, we are reasonably pleased with the performance of our managers during October. The two largest detractors lost 0.19% and 0.12% at portfolio level whilst the four largest contributors generated between 0.11% and 0.18% at portfolio level. In October, 57% of our funds were positive whilst 43% were in negative territory.

The largest contributor was a highly liquid, global macro trader which we added to the portfolio earlier this year. Highly liquid means the entire portfolio can be liquidated within one day, which enables the manager to adapt his portfolio to ongoing developments. In October, the fund benefited from its long gold, long crude oil and short US Dollar/Norwegian Krone position. Some positions were held throughout the month but most were traded actively as data came out. Other significant contributors were a long-standing global macro manager active within various emerging markets as well as our active energy trader. The two main detractors during the month mainly suffered from their exposure to the financials sector. Despite the fact both managers had been reducing exposure (one by 60% during September) as the market had run up that much, they were still hit by the sell-off within the sector. However, the scale of losses was limited.

We were recently informed that one of our most respected managers, John Horseman in London, has decided to cease to be involved with the active management of his fund. The management of the fund will be taken over by one of his colleagues. We will reconsider our investment over the coming weeks.

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%	0.73%	1.00%	0.31%			4.87%
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 October 31, 2009	€1,108.88			
YTD	4.87%	10.22%	14.55%	-2.12%
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	3.54%	4.34%	2.59%	2.00%
Sharpe Ratio	0.14	0.28	0.06	-
% Positive Months	64.63%	70.73%	60.98%	50.00%
Correlation (Theta Multistar with ...)	1.00	0.85	0.55	-0.50
Beta (Theta Multistar with ...)	1.00	1.06	0.28	-0.55

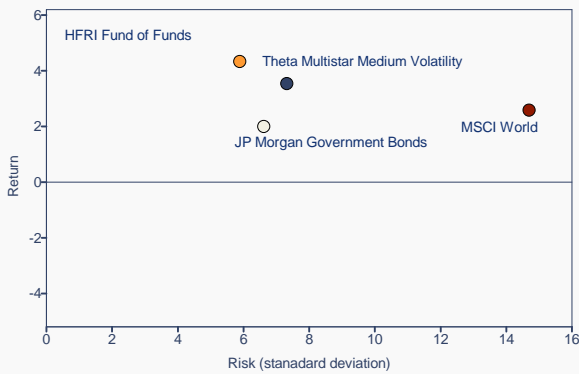
Risk table*	Theta Multistar Medium Volatility	HFRI Fund of Funds	MSCI World	JP Morgan Government Bonds
Annualized standard deviation (%)	7.32%	5.88%	14.70%	6.62%
Maximum Drawdown (%)	-28.27%	-20.92%	-52.85%	-8.47%
Average Gain Positive Months (%)	1.51%	1.21%	2.73%	1.57%
Average Loss Negative Months (%)	-1.90%	-1.67%	-3.60%	-1.22%

* 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

October 2009

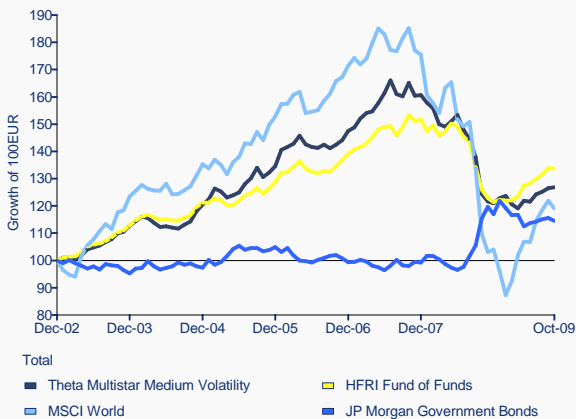
Risk/ reward profile: Jan 2003 to Oct 2009



Fund Information

Subscription	Monthly
Redemption	Monthly
Redemption Notice	40 days notice
Management Fee	1.25%
Incentive Fee	10%
Hurdle Rate	Euribor (1m) + 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

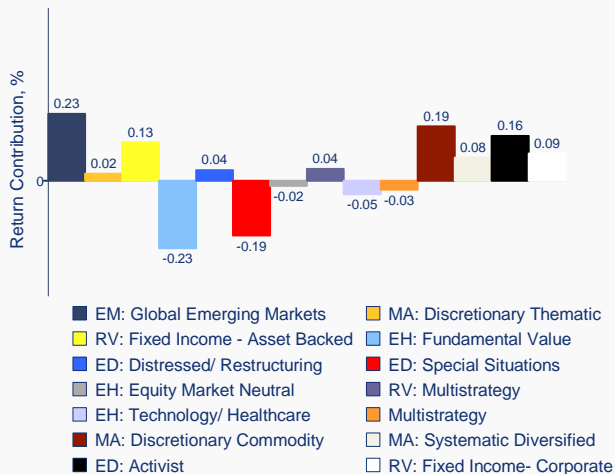
Cumulative return: Jan 2003 to Oct 2009



Strategy allocation Oct 2009

Strategy	%
EM: Global Emerging Markets	17
MA: Discretionary Thematic	22
RV: Fixed Income - Asset Backed	8
EH: Fundamental Value	12
ED: Distressed/ Restructuring	8
ED: Special Situations	4
EH: Equity Market Neutral	1
RV: Multistrategy	3
EH: Technology/ Healthcare	4
Multistrategy	2
MA: Discretionary Commodity	6
MA: Systematic Diversified	4
ED: Activist	3
RV: Fixed Income- Corporate	3

Attribution gross performance by strategy Oct 2009



Fund versus indices

	Jan-03 - Oct-09
Capture Ratio when MSCI up	36.61%
Average return when MSCI up	1.05%
Capture Ratio When MSCI down	26.04%
Average Return when MSCI down	-0.89%
Capture Ratio when JPM Bond Index up	-9.57%
Average Return when JPM Bond Index up	-0.16%
Capture Ratio when JPM Bond Index down	-63.51%
Average Return when JPM Bond Index down	0.74%
Capture Ratio when HFR1 Index up	96.89%
Average Return when HFR1 Index up	1.17%
Capture Ratio when HFR1 Index down	107.62%
Average Return when HFR1 Index down	-1.80%

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.