

1. Performance Summary Theta Funds

The following table shows the net returns of the Theta funds for the period ending 31 December 2010.

	Multistar Medium Volatility Fund	Deep Value Fund	Legends Fund	HFR Fund of Fund Index	MSCI World Index
December 2010	4.64%	4.00%	4.59%	2.01%	7.29%
Year-to-date 2010	8.69%	9.45%	10.08%	5.78%	9.87%

Source: TMF Fund Administrators, Theta Capital Management. All returns in EUR. Inception Theta Legends Fund: 1 February 2010. Multistar Medium Volatility Fund: CI A Series Initial; Deep Value Fund: Series July 2006; Legends Fund: Class D - EUR.

2. Theta Multistar Medium Volatility

The following table shows the net returns of Theta Multistar Medium Volatility for the period ending 31 December 2010.

Theta Multistar Medium Volatility (Class A Series Initial)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2010	-0.53%	-0.32%	2.40%	1.12%	-3.67%	-2.11%	0.92%	0.09%	4.40%	1.94%	-0.18%	4.64%	8.69%
2009	1.53%	0.68%	-2.44%	-1.31%	2.38%	-0.29%	2.28%	0.73%	1.00%	0.31%	0.03%	0.18%	5.09%
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%
2002	2.01%	0.70%	1.20%	1.77%	1.04%	-0.15%	-1.31%	0.97%	0.02%	-0.94%	1.18%	1.36%	8.06%

Source: TMF Fund Administrators, Theta Capital Management. All returns in EUR. CI A Series Initial was initiated on September 1st, 2010. Before January 2004, return of Theta Medium Volatility client portfolios. Theta Medium Volatility Fund invests for 100% in hedge funds.

The fund had a very good month, returning 4.64% which brings the 2010 result to 8.69%. December was one of those rare months where nearly all funds generated a positive return. Out of 22 funds in total, only one was slightly negative (losing around 3 basispoints for the month). Strong returns were made by our discretionary commodity funds, our event driven funds as well as our long/short equity funds. Looking into 2011, we are excited by the quality of the portfolio. We feel it is indicative of the quality of the funds in our portfolio that 11 out of the 22 funds are, in some form or another, closed to new investors after raising sufficient capital in 2009 and 2010.

3. Theta Deep Value Fund

The following table shows the net returns of Theta Deep Value for the period ending 31 December 2010.

Theta Deep Value Fund - Performance (Series July 2006)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2010	0.80%	0.80%	3.77%	1.73%	-5.03%	-3.30%	1.56%	-1.39%	2.89%	1.86%	1.74%	4.00%	9.45%
2009	1.61%	-1.11%	-0.91%	0.77%	4.90%	-0.22%	1.05%	1.12%	2.67%	1.14%	1.78%	2.32%	16.06%
2008	0.17%	-0.45%	-2.39%	-1.18%	0.25%	1.69%	-2.80%	-4.48%	-3.94%	-5.78%	-0.58%	-1.82%	-19.57%
2007	-0.08%	6.60%	1.12%	1.36%	0.99%	2.80%	6.47%	1.26%	2.52%	6.65%	-0.45%	0.28%	33.38%
2006							-1.68%	1.19%	-0.75%	3.17%	2.90%	3.83%	8.83%

Source: TMF Fund Administrators, Theta Capital Management. All returns in EUR. Theta Deep Value Fund invests for 100% in hedge funds.

The Theta Deep Value fund had a good month, bringing the full year return to around 9.5%. Looking at December, strong returns were made by both our discretionary commodity trader as well as our event-driven fund with sizeable exposure to assets that should (continue to) do well in the case of a (modest) economic recovery. Looking forward, we feel 2011 could well be a good year given the combination of embedded value as well as the skills of our managers.

4. Theta Legends Fund

The following table shows the net returns of Theta Legends Fund for the period ending 31 December 2010.

Theta Legends Fund (Class D EUR) *													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
2010		0.03%	2.91%	1.52%	-5.67%	-2.64%	1.77%	-0.54%	5.19%	2.53%	0.47%	+4.59%	10.08%

Source: TMF FundAdministrators, Theta Capital Management. All returns in EUR, net of fees and expenses. Theta Legends Fund invests for 100% in hedge funds.

The Theta Legends Fund had a strong end to the year, bringing the year-to-date result to 10.08% which is a satisfying result in what has been a volatile year. All managers contributed to the months' results. Our event driven manager in particular had a good finish to the year as he benefited from the rally. In particular the Financials segment had a strong month with the main US bank index (BKX) up nearly 14% for the month to leave it up close to 20% for the year. If we look at the first 11 months of the Theta Legends Fund, we are pleased to see all managers ended the year in positive territory and, more importantly, are well positioned for further gains in 2011.

5. NAV Summary

Class / Series	Dec 2010 NAV per share	# of shares	Currency	Mgt Fee / Perf Fee / Hurdle Rate	Red Freq / Notice	ISIN Code
Theta Multistar Medium Volatility Fund						
CI A Series Initial	1,207.96	47,809.1066	EUR	1.25% / 10% / Euribor+ 2%	No lock / M / 40days	NL0000211159
CI A Series T	1,207.95	8,351.1886	EUR			NL0009363928
CI A Series 2010	1,078.20	8,902.8907	EUR			NL0009347137
CI C Series Initial	966.90	11,372.0000	EUR			NL0009611219
CI C Series T	966.90	564.0000	EUR			NL0009611227
CI C Series 2010	863.22	22.00000	EUR			NL0009611201
Theta Deep Value Fund						
Class A - Apr 2010	1,036.54	369.811	EUR	0.50% / 10% / 8%	2yr / Q / 90days	NL0009538834
Class A - Jul 2010	1,103.10	175.000	EUR			NL0009538842
Class B - Apr 2010	1,036.59	33.000	EUR	0.50% / 15% / 8%	No lock / Q / 90days	NL0009538859
Class B - Jul 2010	1,099.47	550.000	EUR			NL0009538867
Class C - Jul 2008	1,029.80	10,635.000	EUR	0.50% / 15% / 8%	2yr / Q / 90days	NL0009390210
Class C - Jan 2009	1,246.09	500.000	EUR			NL0009390244
Class C - Jul 2009	1,190.88	148.500	EUR			NL0009390228
Class C - Jan 2010	1,466.55	40,526.236	EUR			NL0009390236
Class D - Jul 2008	1,042.08	2,392.500	EUR	0.00% / 15% / 8%	2yr / Q / 90days	NL0009390186
Class D - Jan 2009	1,270.20	2,145.800	EUR			NL0009390160
Class D - Jan 2010	1,483.17	14,828.399	EUR			NL0009390178
Class E - Oct 2008	1,156.57	946.775	EUR	0.50% / 12.5% / 8%	2yr / Q / 90days	NL0009390194
Class E - Jan 2009	1,259.09	264.139	EUR			NL0009390202
Class F - Jul 2008	1,042.36	29,237.521	EUR	0.00% / 12.5% / 8%	2yr / Q / 90days	NL0009390251
Theta Legends Fund						
Class A - EUR	109.14	77,193.0623	EUR	1.0% / 5% / Euribor+ 2%	No lock / M / 90days	NL0009358373
Class A - USD	107.26	199.0130	USD			NL0009358381
Class B - EUR	109.56	100,069.2546	EUR	0.5% / 5% / Euribor+ 2%	No lock / M / 90days	NL0009358399
Class B - USD	110.77	13,390.0021	USD			NL0009358407
Class C - EUR	109.60	3,490.0000	EUR	0.5% / 5% / Euribor+ 2%	1yr / M / 90days	NL0009358415
Class C - USD	100.00	-	USD			NL0009358423
Class D - EUR	110.08	585,187.0980	EUR	0.0% / 5% / Euribor+ 2%	1yr / M / 90days	NL0009358431
Class D - USD	111.25	60,573.6567	USD			NL0009358449

Source: TMF FundAdministrators.