

UNAUDITED INTERIM FINANCIAL STATEMENTS

Theta Multistar Fund
The Netherlands

For the period January 1st through June 30th, 2011

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General information

Fund Manager

Theta Fund Management B.V.
Johannes Vermeerstraat 9
1071 DK Amsterdam
The Netherlands

Internet: www.thetacapital.com

Custodian

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Reference code: 2.4.890
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Bank

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Independent Auditor

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2509 LP The Hague
The Netherlands

*The interim financial report is not audited by the
Independent Auditor*

Administrator

TMF FundAdministrators B.V.
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P.O. Box 25121
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The Netherlands

Legal and tax Counsel

Greenberg Traurig, LLP
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The Netherlands

Profile

Theta Multistar Fund (The Fund) has been organized as a mutual fund under Dutch law (fonds voor gemene rekening) and has been established on August 1, 2001. The seat of the Fund is in Amsterdam, The Netherlands. The Fund is semi-open ended and, for tax purposes, closed.

The Fund aims to provide individuals and institutional investors with an investment vehicle through which they can participate in the separate sub funds. The Fund aims to achieve consistent absolute returns on investment, irrespective of the direction of comparable publicly traded securities, i.e. to have low correlation to general market risks. The Fund attempts to accomplish this objective by investing in a diversified portfolio of Investee Funds, which employ diverse investment styles and strategies. The Fund can consist of more than one subfund.

The number of Investee Funds in which the Fund participates will depend upon the opportunities available and the size of the Fund. Until January 1, 2010, the Fund consisted of two sub funds, Low Volatility Portfolio and Medium Volatility Portfolio. On that date, the two have merged into the Medium Volatility Portfolio. The Fund Manager envisages a portfolio of 20 to 25 main holdings in Investee Funds, with a number of smaller residual holdings in closed funds. No single investment in an Investee Fund represents 12% or more of the Fund's capital relating to the relevant Portfolio at the date it is made. The Fund's investment in any Investee Fund is less than 20% of the total capital of such Investee Fund. The Fund does not invest in any Fund, which is linked organizationally or economically with the Fund.

Theta Fund Management, announced the creation of a separate portfolios in Theta Multistar Fund (a so-called "Side Pocket") to which a proportion of the assets in the current portfolio were transferred. These are underlying investment funds which, due to the current market environment, do not offer sufficient liquidity for the investors in Theta Multistar Fund. The Side Pockets were created to assure that redemptions from the Fund can not cause the portfolio to become less liquid which is in the best interest of the participants in the Fund. An additional positive is that optimal portfolio management will not be hampered by investors leaving the Fund. The creation of the Side Pockets does not directly impact remaining investors in the Fund. Over time the proceeds from the Side Pockets will be reinvested in the regular share classes.

All Funds that are included into one of the Portfolio's are carefully selected by the Fund Manager, not only by criteria like manager skills and expected returns, but also the robustness of the organization and the quality of risk management.

Summary of the Net Asset Values as issued

	Net Asset Value (in thousands)	Participations	Net Asset Value Per participation
	_____	_____	_____
Medium Volatility Portfolio			
Class A Series Initial	55,390	47,827	1,158.13
Class C Series Initial	7,542	8,136	927.02

The accompanying notes are an integral part of these financial statements

Interim financial statements

(unaudited)

Statement of financial position

(all amounts are in thousands EUR)

	Notes	Medium Volatility Portfolio		Low Volatility Portfolio	
		June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Assets					
Investments	3	83,879	118,787	1,789	4,963
Derivative financial instruments	3	264	1,456	-	-
Total investments		84,143	120,243	1,789	4,963
Current assets					
Cash and cash equivalents	4	-	170	587	505
Receivable for securities sold		1,142	1,420	18	19
Total current assets		1,142	1,590	605	524
Total assets		85,285	121,833	2,394	5,487
Liabilities					
Current liabilities					
Credit facility	4	1,039	6,763	-	16
Derivative financial instruments	3	251	466	-	-
Payable for shares redeemed		-	-	-	23
Accrued expenses and other payables	5	769	772	83	137
Total current liabilities		2,059	8,001	83	176
Shareholders' equity					
Contributions of participants		85,619	106,992	3,507	8,017
Net income for the year		(2,393)	6,840	(1,196)	(2,706)
Total shareholders' equity	6	83,226	113,832	2,311	5,311
Total liabilities and shareholders' equity		85,285	121,833	2,394	5,487

The accompanying notes are an integral part of these financial statements

Statement of comprehensive income

(For the six month period ending June 30, unaudited)

	Notes	Medium Volatility Portfolio		Low Volatility Portfolio	
		2011	2010	2011	2010
(all amounts are in thousands EUR)					
Income					
Net gains and losses on investments		(7,292)	17,065	(1,131)	1,513
Net gains and losses on derivatives		6,229	(21,032)	-	(1,034)
Interest income		3	3	2	3
Foreign currency translation	11	(394)	1,010	(41)	79
Other		135	413	-	-
Total income		(1,319)	(2,541)	(1,170)	561
Costs	7	1,074	1,879	26	76
Net income for the period		(2,393)	(4,420)	(1,196)	485

The accompanying notes are an integral part of these financial statements

Statement of cash flows

(For the six month period ending June 30, unaudited)

	Medium Volatility Portfolio		Low Volatility Portfolio	
	2011	2010	2011	2010
(all amounts are in thousands EUR)				
Cash flow from operating activities				
Net receipts from investments	27,890	81,045	2,045	2,060
Net receipts from (payments for) derivatives	7,206	(21,326)	-	(846)
Interest current account	(140)	(23)	1	2
Other income received	135	479	-	-
Management fee paid	(556)	(1,273)	(66)	(105)
Incentive fee paid	(78)	-	-	-
Administration fee paid	(31)	(84)	(3)	(9)
Audit fee	(18)	(20)	(1)	(2)
Custody fee paid	(98)	(178)	6	(26)
Entry and exit fees paid	(64)	-	-	-
Bank charges paid	(205)	(383)	(3)	(4)
Other operating costs	(121)	(19)	(13)	(20)
	33,920	58,218	1,966	1,050
Cash flow from financing activities				
Proceeds from sales of participations	3,567	25,317	-	-
Subscriptions received in advance	241	47	-	-
Payments for repurchase of participations	(31,780)	(84,420)	(1,827)	(5,327)
	(27,972)	(59,056)	(1,827)	(5,327)
Net cash flow during the period	5,948	(838)	139	(4,227)
Cash and cash equivalents at beginning of the period	(6,593)	(15,565)	489	5,203
Foreign currency translation of cash positions	(394)	1,010	(41)	79
Cash and cash equivalents at end of the period	4 (1,039)	(15,393)	587	1,005
Analysis of cash and cash equivalents				
Cash at banks	1,301	8,516	587	1,005
Due to brokers	(2,340)	(23,909)	-	-
Total of cash and cash equivalents	4 (1,039)	(15,393)	587	1,005

The accompanying notes are an integral part of these financial statements

Notes to the financial statements

1. General information

The Fund has been organized as a mutual fund under Dutch law (fonds voor gemene rekening) and has been established on August 1, 2001. The seat of the Fund is in Amsterdam, The Netherlands. The Fund is semi-open ended and, for tax purposes, closed.

As at the issue date of this annual report the latest information memorandum in circulation is dated August, 2010.

The Fund's investment objective is to generate investment returns well in excess of Euro-Libor over a one- to five-year investment horizon (depending on which Sub-Fund) with limited standard deviations of returns.

The financial statements were authorized for issue by the Fund Manager on August 18, 2011.

2. Summary of significant accounting policies

Basis of preparation

The interim financial statements of the Fund have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code and Dutch Accounting Standard 394. The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Fund's annual financial statements as at December 31, 2010.

Unless stated otherwise, assets and liabilities have been accounted for at face value.

Significant accounting policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended December 31, 2010.

3. Investments

The movements of the investments are as follows:

	Medium Volatility portfolio			
	Period January 1, 2011 through June 30, 2011		Period January 1, 2010 through June 30, 2010	
(all amounts are in thousands EUR)	Investments	Derivatives	Investments	Derivatives
Total value at beginning of the period	118,787	990	210,125	(3,206)
Purchases	7,715	-	36,513	-
Sales	(35,331)	(7,206)	(104,734)	21,326
Realized gains (losses)	(3,694)	7,206	3,414	(22,318)
Change in unrealized gains (losses)	(3,598)	(977)	13,651	1,287
Total value of investments at end of the period	83,879	13	158,969	(2,911)

The accompanying notes are an integral part of these financial statements

Low Volatility portfolio

(all amounts are in thousands EUR)	Period January 1, 2011 through June 30, 2011		Period January 1, 2010 through June 30, 2010	
	Investments	Derivatives	Investments	Derivatives
Total value at beginning of the period	4,963	-	25,019	(145)
Transfer to Medium Volatility portfolio	-	-	(16,754)	-
Purchases	-	-	-	845
Sales	(2,043)	-	(840)	-
Realized gains (losses)	(699)	-	28	(1,179)
Change in unrealized gains (losses)	(432)	-	1,486	146
Total value of investments at end of the period	1,789	-	8,939	(333)

All investments consist of investments in investment funds.

4. Cash and cash equivalents

At June 30, 2011 and December 31, 2010 no restrictions on the use of cash and cash equivalents exist.

The Fund maintains a line of credit with KAS Bank N.V. The credit facility with KAS Bank N.V. is structured as a bridge financing facility equal to the lesser of EUR 25 million or 15% of pledged collateral plus a forward currency facility which is equal to the lesser of EUR 35 million or 16% of pledged collateral. The credit facility is interest bearing at an EURIBOR plus 120 basis points interest rate. The Fund has pledged all securities held at KAS Bank N.V. and the sale of such securities requires the release by the Custodian.

Another credit line is maintained with ABN AMRO as counterparty with a maximum of 20% of the securities pledged or EUR 3 million at an interest rate of EONIA plus 145 basis points.

5. Accrued expenses and other payables

As at June 30, 2011 the accrued expenses and other payables consist of the following:

(all amounts are in thousands EUR)	Medium Volatility portfolio		Low Volatility portfolio	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Subscriptions received in advance	240	15	-	-
Interest payable	7	68	-	-
Management fee payable	423	390	72	135
Incentive fee payable	1	72	-	-
Administration fee payable	23	21	-	1
Audit fee payable	11	21	-	1
Custody fee payable	6	7	8	-
Exit and entry fees payable	-	64	-	-
Other general fees payable	58	114	3	-
Total accrued expenses and other payables	769	772	83	137

The accompanying notes are an integral part of these financial statements

6. Share capital

Movement of shareholders' equity during the period started January 1 through June 30 is as follows.

	Medium Volatility portfolio		Low Volatility portfolio	
	2011	2010	2011	2010
(all amounts are in thousands EUR)				
Balance at beginning of the period	113,832	203,465	5,311	30,909
Proceeds from shares issued	3,567	25,784	-	-
Repurchase for shares redeemed	(31,780)	(83,322)	(1,804)	(22,137)
Net result for the period	(2,393)	(4,420)	(1,196)	485
Shareholders' equity at end of the period	83,226	141,507	2,311	9,257

Effective 31 Augustus 2010, the Fund Manager created a separate portfolio Class B ("Side Pocket") to which the Medium Volatility Portfolio transferred interests in its investee funds which, do not offer sufficient liquidity for the investors in Theta Multistar Fund. The Side Pocket was created to assure that redemptions from the Fund could not cause the portfolio to become less liquid which is in the best interest of the participants in the Fund. An additional positive is that optimal portfolio management will not be hampered by investors leaving the Fund. The creation of the Side Pocket does not directly impact remaining investors in the Fund. Over time the proceeds from the Side Pocket will be reinvested in the regular share classes.

Movement of shareholders' equity per Class during the period started January 1 through June 30 is as follows:

	Medium Volatility Portfolio Class A	
	2011	2010
(all amounts are in thousands EUR)		
Balance at beginning of the period	88,999	203,465
Proceeds from shares issued	3,567	25,784
Repurchase for shares redeemed	(27,003)	(83,323)
Net result for the period	(2,629)	(4,419)
Shareholders' equity at end of the period	62,934	141,507

	Medium Volatility Side Pocket Class B	
	2011	2010
(all amounts are in thousands EUR)		
Balance at beginning of the period	24,833	-
Repurchase for shares redeemed	(4,778)	-
Net result for the period	237	-
Shareholders' equity at end of the period	20,292	-

The accompanying notes are an integral part of these financial statements

	Low Volatility Side Pocket Class B	
	2011	2010
(all amounts are in thousands EUR)		
Balance at beginning of the period	5,311	12,242
Repurchase for shares redeemed	(1,804)	(3,469)
Net result for the period	(1,196)	484
Shareholders' equity at end of the period	2,311	9,257

7. Costs

(For the six month period ending June 30)

	Medium Volatility portfolio		Low Volatility portfolio	
	2011	2010	2011	2010
(all amounts are in thousands EUR)				
<i>Costs accruing to management</i>				
Management fee	589	1,093	3	64
Incentive fee	7	8	-	-
	596	1,101	3	64
<i>Other costs</i>				
Interest expenses	80	33	-	1
Administration fee	33	89	2	3
Audit fee	8	11	-	1
Custody fee	97	171	2	2
Bank charges	205	383	3	4
Other general expenses	55	91	16	1
	478	778	23	12
	1,074	1,879	26	76

8. Related party transactions

Related party transactions are transfers of resources, services or obligations between related parties and the Fund, regardless of whether a price has been charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or is part of the key management of the Fund. The following parties are considered related parties.

Fund Manager

Management and Incentive fee

Theta Fund Management B.V., serves as the Fund Manager. Under the Terms and Conditions of the Fund, the Fund Manager is entitled to a Management Fee of 1.25% per annum, calculated over the Net Asset Value of the Fund after providing for subscriptions and redemptions, and paid on a quarterly basis.

The Fund Manager will also receive an Incentive Fee, which is payable annually, equal to 10% of the excess of the Total Return of the Fund over the Benchmark Rate. For the Low Volatility Portfolio, the

The accompanying notes are an integral part of these financial statements

Benchmark Rate equals the one-month Euribor. For the Medium Volatility Portfolio, the Benchmark Rate equals one-month Euribor plus 2 % per annum. The calculation of the Incentive Fee is as follows:

Each month the amount is calculated as 10 % of the difference between the increase of the value of a portfolio and the return of its Benchmark. This amount is accrued and provided for in the Net Asset Value at month-end. If the total of twelve monthly amounts is positive it is paid to the Fund Manager after the accounts of the Fund have been audited. The Fund Manager may impose a subscription charge of up to 2% of the Subscription Price, payable to the Fund Manager. The Fund Manager may impose a Redemption Charge of up to 1% of the Net Asset Value of the Participations at the Dealing Day on which a redemption is effected, payable to the Fund Manager. (Part of) the Redemption Charge will be used for expenses with respect to the redemption.

As per June 30, 2011, the Directors of the Fund Manager are holders of 555 Participations (December 31, 2010: 1,053 Participations) in the Theta Multistar Low Volatility Portfolio Class B, 7,095 Participations (December 31, 2010: 6,596 shares) in the Theta Multistar Medium Volatility Initial Series and 68 Participations in the Theta Multistar Medium Volatility Portfolio T Series (December 31, 2010: 426 Participations).

As per June 30, 2011, the Fund Manager Theta Fund Management B.V. holds 2 Participations (December 31, 2010: 14 Participations) in the Theta Multistar Medium Volatility T Series, 12 participations in Theta Multistar Medium Volatility Initial Series (2010: no participations) and 8 Participations (December 31, 2010: 15 Participations) in the Theta Multistar Low Volatility Class B.

The parent company of the Fund Manager is Theta Capital Management B.V. This company is Investment Advisor to various parties, which have similar portfolio's of hedge funds as the Fund. The Fund will occasionally (but not always) invest in hedge funds or redeem from hedge funds at the same time as other funds advised or managed by Theta Capital Management.

9. Net Asset Value per Participation

	June 30, 2011	December 31, 2010	December 31, 2009
Low Volatility			
Net asset value (in thousands EUR)	2,311	5,311	30,909
Number of participations	16,847.6101	28,079.844	75,000.168
Low Volatility Class A			
Net asset value (in thousands EUR)	-	-	18,667
Number of participations	-	-	32,245.815
Net asset value per participation (in EUR)	-	-	578.91
Low Volatility Side Pocket Class B			
Net asset value (in thousands EUR)	1,957	4,511	10,398
Number of participations	16,053.3156	26,756.009	40,695.589
Net asset value per participation (in EUR)	121.88	174.38	255.50
Low Volatility Side Pocket Class B 02-2009			
Net asset value (in thousands EUR)	354	800	1,844
Number of participations	794.2945	1,323.835	2,058.764
Net asset value per participation (in EUR)	445.74	623.92	895.71

The accompanying notes are an integral part of these financial statements

	June 30, 2011	December 31, 2010	December 31, 2009
Medium Volatility			
Net asset value (in thousands EUR)	83,226	113,832	203,465
Number of participations	84,134	112,235	183,104.999
Medium Volatility Class A			
Net asset value (in thousands EUR)	-	-	203,465
Number of participations	-	-	183,104.999
Net asset value per participation (in EUR)	-	-	1,111.19
Medium Volatility Class A Series Initial			
Net asset value (in thousands EUR)	55,391	57,752	-
Number of participations	47,827.1273	47,809.1066	-
Net asset value per participation (in EUR)	1,158.13	1,154.45	-
Medium Volatility Class A Series T			
Net asset value (in thousands EUR)	-	10,088	-
Number of participations	-	8,351.1886	-
Net asset value per participation (in EUR)	-	1,207.95	-
Medium Volatility Class A Series 2010			
Net asset value (in thousands EUR)	-	9,599	-
Number of participations	-	8,902.8907	-
Net asset value per participation (in EUR)	-	1,078.20	-
Medium Volatility Class C Series Initial			
Net asset value (in thousands EUR)	7,543	10,996	-
Number of participations	8,136.0000	11,372.0000	-
Net asset value per participation (in EUR)	927.02	966.90	-
Medium Volatility Class C Series T			
Net asset value (in thousands EUR)	-	545	-
Number of participations	-	564.0000	-
Net asset value per participation (in EUR)	-	966.90	-
Medium Volatility Class C Series 2010			
Net asset value (in thousands EUR)	-	19	-
Number of participations	-	22.0000	-
Net asset value per participation (in EUR)	-	863.22	-
Medium Volatility Side Pocket Class B Series Initial			
Net asset value (in thousands EUR)	13,604	16,648	-
Number of participations	12,089.1518	15,111.4336	-
Net asset value per participation (in EUR)	1,125.32	1,101.70	-
Medium Volatility Side Pocket Class B Series T			
Net asset value (in thousands EUR)	1,937	2,370	-
Number of participations	1,720.9160	2,151.1425	-
Net asset value per participation (in EUR)	1,125.34	1,101.70	-
Medium Volatility Side Pocket Class B Series 2010			
Net asset value (in thousands EUR)	1,963	2,402	-
Number of participations	1,941.3842	2,426.7281	-
Net asset value per participation (in EUR)	1,011.23	989.99	-

The accompanying notes are an integral part of these financial statements

	June 30, 2011	December 31, 2010	December 31, 2009
Medium Volatility Side Pocket Class D Series Initial			
Net asset value (in thousands EUR)	2,632	3,221	-
Number of participations	11,721.6023	14,652.0000	-
Net asset value per participation (in EUR)	224.56	219.84	-
Medium Volatility Side Pocket Class D Series T			
Net asset value (in thousands EUR)	154	189	-
Number of participations	686.4019	858.0000	-
Net asset value per participation (in EUR)	224.55	219,84	-
Medium Volatility Side Pocket Class D Series 2010			
Net asset value (in thousands EUR)	2	3	-
Number of participations	11.9997	15.0000	-
Net asset value per participation (in EUR)	201.83	197.57	-

10. Schedule of investments in hedge funds

(all amounts are in thousands EUR)	Low Volatility Portfolio	
	June 30, 2011	June 30, 2010
Strategy		
Distressed Restructuring	127	1,088
Fixed Income Corporate	210	903
Multi-strategy	1,383	1,471
Special Situations	40	174
Private issue	29	5,303
Total	1,789	8,939

(all amounts are in thousands EUR)	Medium Volatility Portfolio	
	June 30, 2011	June 30, 2010
Strategy		
Activist	-	6,518
Distressed Restructuring	17,603	26,773
Discretionary Commodity	5,507	10,552
Discretionary Thematic	10,520	31,415
Systematic Diversified	1,911	-
Fixed Income Asset-Backed	11,185	19,178
Fixed Income Convertible Arbitrage	-	4,745
Fixed Income Corporate	6,044	9,096
Energy Basic Materials	154	-
Fundamental Value	18,695	22,460
Fundamental Growth	3,427	2,015
Multi-strategy	136	5,116
Special Situations	6,768	14,475
Private issue	78	-
Technology Healthcare	1,851	6,626
Total	83,879	158,969

The accompanying notes are an integral part of these financial statements

11. Foreign currency translation

The following average and closing rates have been applied in preparation of these financial statements:

<i>Showing the equivalent of 1 Euro</i>	Period January 1, 2011 through June 30, 2011		Period January 1, 2010 through June 30, 2010	
	Average	Closing	Average	Closing
United States Dollar	1.4050	1.4502	1.3277	1.2237

12. Securities Lending

The Fund lends no securities from or to other parties.

13. Events after balance sheet date

No important events that may impact the financial position as reported in this report have occurred after balance sheet date.

14. Information

This semi-annual report and the prospectus of the Fund are available free of charge at the Fund Manager or available for download free of charge from the Fund Manager's website: <http://www.thetacapital.com>.

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