



April 2009 Hedge Fund Performance Commentary

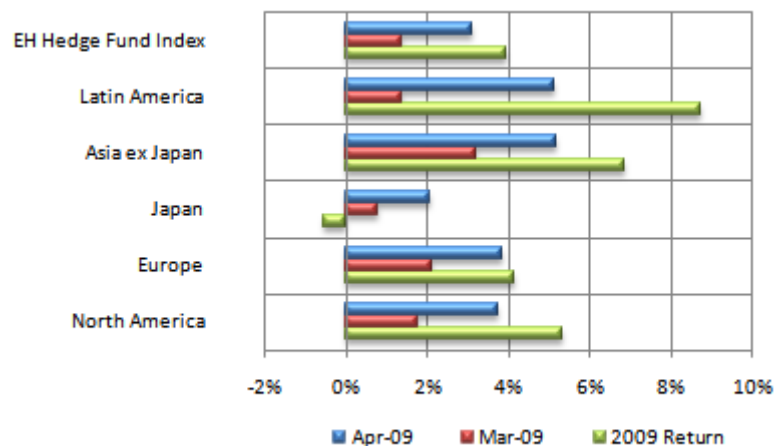
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Introduction

The Eurekahedge Hedge Fund Index rose a strong 3.1%¹ in April, as the equity markets continued rallying strongly from their oversold levels, fuelled by large-scale buying amid strengthening risk appetites. The MSCI World Index rose 10.9% during the month, partly owing to 1Q2009 earnings reports having beaten expectations. However, on a year-to-date (YTD) basis, hedge funds are up 4% in the first four months of 2009, while the aforementioned equity index remains in negative territory for the period.

Most geographical mandates were up close to or over 4% in April, as managers largely benefited from the continued surge in equity prices. The only exceptions were Japanese managers; while most regional funds turned in healthy returns, one activist investing fund (among some others) recorded double-digit losses, dragging down the region's average performance. In Eastern Europe, managers were up an impressive 12.4%, as funds largely exploited the spike in regional equities (MSCI's Eastern Europe Index returned 22.3%, owing to global optimism coupled with higher oil prices).

Eurekahedge Performance Indices - Regions



Source: Eurekahedge

Coming into May, global equity markets continue to remain volatile but positive, being driven more by macroeconomic news and data, and investor optimism than by technicals. The S&P 500 and FTSE 100 are up 4.2% and 4.8% month-to-date, while some Asian markets like the Hang Seng and Singapore's Straits Times Index are up between 9% and 13% for the month. We believe that hedge funds employing short-term trading strategies will ...

¹ Based on 66.4% of the funds reporting their April 2009 returns as at 16 May 2009.