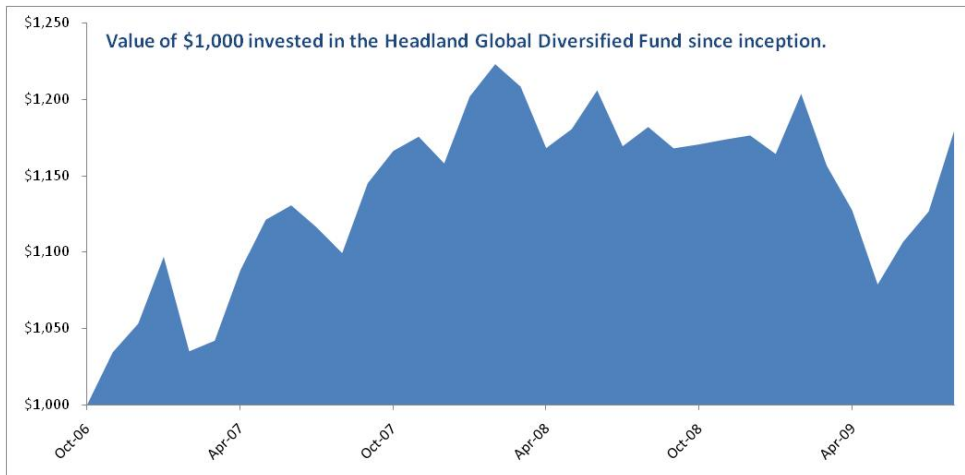


Headland Global Diversified Fund

Manager and Fund Description

Headland Global Investment Management is a Global Macro specialist. The Headland Global Diversified Fund seeks to provide investors with positive returns regardless of stock market performance. The Fund uses a quantitative process to allocate capital to major investment themes in global bond, currency and commodity markets.



Performance August 2009

1 month	4.68
3 month	9.06
1 year	0.20
Annualised return since inception	7.00
Performance is net of fees.	

Returns prior to March 2008 are for a proprietary managed account employing the Global Diversified Fund's investment strategy. Prior to November 2007 the Fund had exposure to equity indices.

Key Performance

Latest Return Date: August 2009		Annualised Return: 7.00%	
Latest Month:	Latest 3 Months:	Latest 12 Months:	Latest 24 Months:
4.68%	9.06%	0.20%	7.80%
Total Return:	YTD:	Average Return:	Reporting frequency:
17.90%	-0.23%	0.52%	Monthly
% Positive Months:	% Negative Months:	Best month:	Worst month:
66.00%	33.00%	4.68%	-5.63%
Largest Drawdown:	Time to recovery:	Average +ve Return:	Average -ve Return:
-11.76%	17 months	2.19%	-2.54%

Investment Terms

Minimum investment:	Additional investment:	Investment frequency:	Redemption frequency:
AU\$25,000	AU\$5,000	Monthly	Monthly
Redemption notice:	Redemption frequency:	Entry fee:	Exit fee:
3 Days	Monthly	0.00%	0.00%

Fund Fees

Management fee:	Performance fee:	High water mark:	Hurdle:
1.5%	20%	Yes	RBA Cash Rate

Risk

Annualised Standard Deviation:	Downside deviation:	Sortino ratio:	Sharpe Ratio:
8.88%	6.22%	0.38	0.22
Correlation to equities	Correlation to bonds		
-0.17	-0.03		

Historical Performance

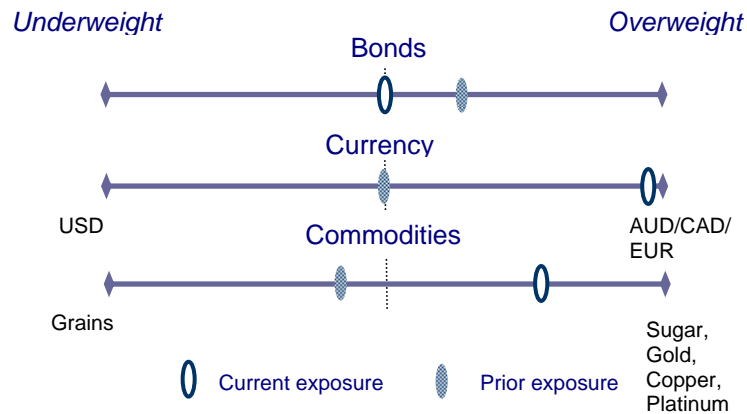
Year	Jan %	Feb %	Mar %	Apr %	May %	Jun %	Jul %	Aug %	Sep %	Oct %	Nov %	Dec %	YTD %
2009	-1.02	3.38	-3.90	-2.53	-4.31	2.59	1.76	4.68					0.23
2008	3.78	1.76	-1.21	-3.32	1.06	2.15	-3.03	1.08	-1.18	0.24	0.27	0.23	1.70
2007	4.15	-5.63	0.67	4.40	3.06	0.84	-1.27	-1.50	4.15	1.85	0.79	-1.49	10.00
2006											3.43	1.81	5.30

Headland Global Diversified Fund

Investment process

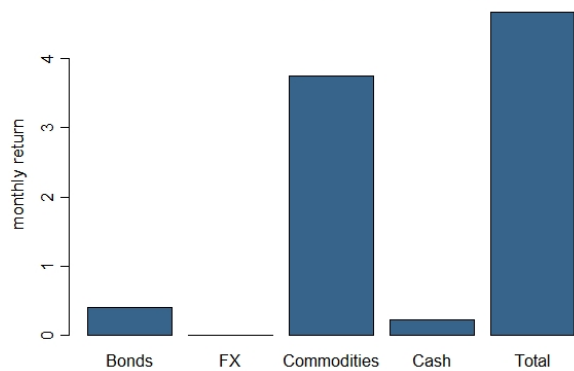
The Headland Global Diversified Fund seeks to provide investors with positive returns regardless of stock market performance. The Fund uses a quantitative process to allocate capital to major investment themes in global bond, currency and commodity markets.

Asset Allocation



Performance Attribution

Performance Attribution Aug-2009



Investment strategy

The change to a more positive sentiment has now been in place since March 2009. The unprecedented stimulus added by Governments around the world has led to an improvement (or slowing decline) in economic data. Risk markets are anticipating a recovery for the global economy. In line with the strategy of being aligned with long run investment themes the Fund's asset allocation has moved towards a more bullish position. The Fund is now overweight industrial and precious metals.

Global Fixed Income – *Falling interest rates, lower inflation expectations.*

A long position in short dated European bonds added to positive performance in August. The position was closed during the month with exposure being switched into the developing opportunities in Foreign Exchange markets.

Foreign Exchange – *Re-weighting to growth currencies/ Growing negative sentiment towards the US dollar.*

With sentiment building that last year's crisis is behind us Foreign Exchange markets have switched focus towards the growing supply of US dollars and increasing diplomatic tension between China and the US. The Fund added Canadian and Euro FX positions to the existing AUD exposure.

Commodities – *Falling US dollar/ shortage of supply in soft commodities.*

Short energy positions were positive for a second month with Natural Gas prices falling to new lows. The Fund also profited from a long position in Sugar. Sugar prices hit 30 year highs as weather conditions caused a shortage of supply from major producers Brazil and India. The Fund caught most of the move from 12 cents to 24 cents a pound. The Fund also opened new long positions in Gold, Copper and Platinum.

Comments welcome.

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