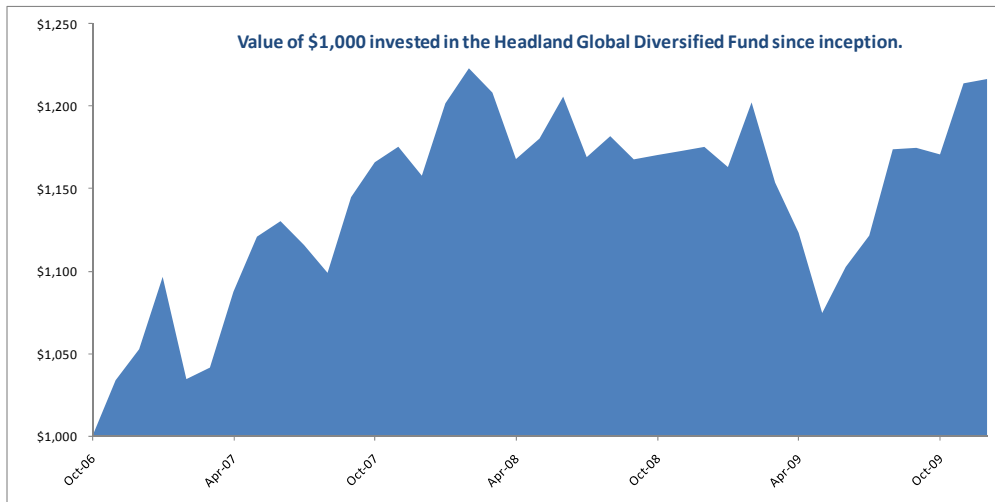


Headland Global Diversified Fund

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 December 2009

1 month	0.22
3 month	3.54
1 year	3.89
Annualised return since inception	6.65
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: December 2009		Annualised Return: 6.65%	
Latest Month:	Latest 3 Months:	Latest 12 Months:	Latest 24 Months:
0.22%	3.54%	3.89%	5.65%
Total Return:	YTD:	Average Return:	Reporting frequency:
22.21%	3.89%	0.56%	Monthly
% Positive Months:	% Negative Months:	Best month:	Worst month:
65.00%	35.00%	4.68%	-5.63%
Largest Drawdown:	Time to recovery:	Average +ve Return:	Average -ve Return:
-11.76%	19 months	2.09%	-2.37%

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:
9.03%	6.68%	0.17	0.14
Correlation to equities	Correlation to bonds		
-0.05	0.07		

Historical Performance

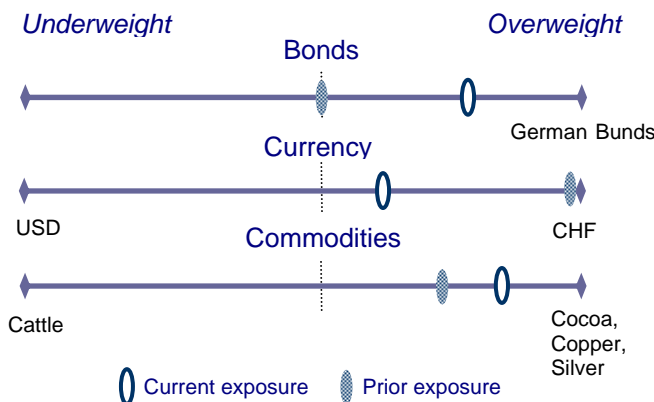
Year	Jan %	Feb %	Mar %	Apr %	May %	Jun %	Jul %	Aug %	Sep %	Oct %	Nov %	Dec %	YTD %
2009	-1.02	3.38	-3.90	-2.53	-4.31	2.59	1.76	4.68	0.09	-0.33	3.68	0.22	3.89
2008	3.78	1.76	-1.21	-3.32	1.06	2.15	-3.03	1.08	-1.18	0.24	0.27	0.23	1.70
2007	4.15	-5.63	0.67	4.40	3.06	0.84	-1.27	-1.50	4.15	1.85	0.79	-1.49	10.00
2006											3.43	1.81	5.30

Headland Global Diversified Fund

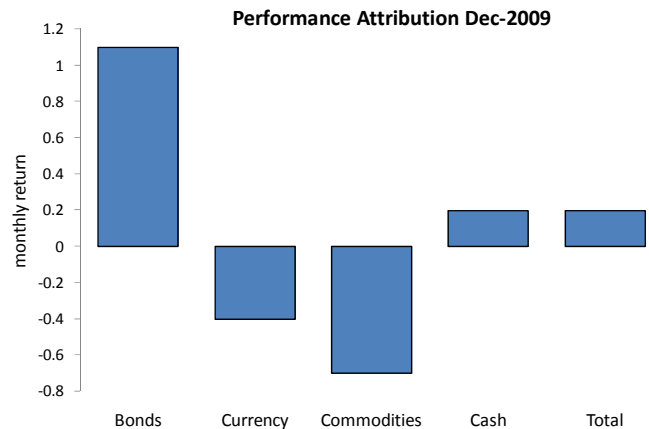
Investment process

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



Investment strategy

The Global Diversified Fund returned 0.22% for December. Since moving to a more growth orientated asset allocation in June the Fund has added 12.5% (7 months). Despite retracement of recent gains in precious metals the Fund has retained its current allocation to Gold and Silver.

Global Fixed Income – *Low interest rates, balance sheet recapitalisation.*

The Fund took profit on gains in US and Japanese Government bonds prior to a sell off towards the end of the month.

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

The Funds exposure to currency markets remains historically low. Concerns of Central Bank intervention in Japan negatively impacted a long position in the Japanese Yen. The Fund has recently added a long Canadian Dollar position.

Commodities – *Demand for physical assets (metals)/ shortage of supply in soft commodities.*

Retracement of recent gains in Gold and Silver negatively impacted performance. This was offset by gains in agricultural commodities including Sugar and Cocoa.

Comments welcome.

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