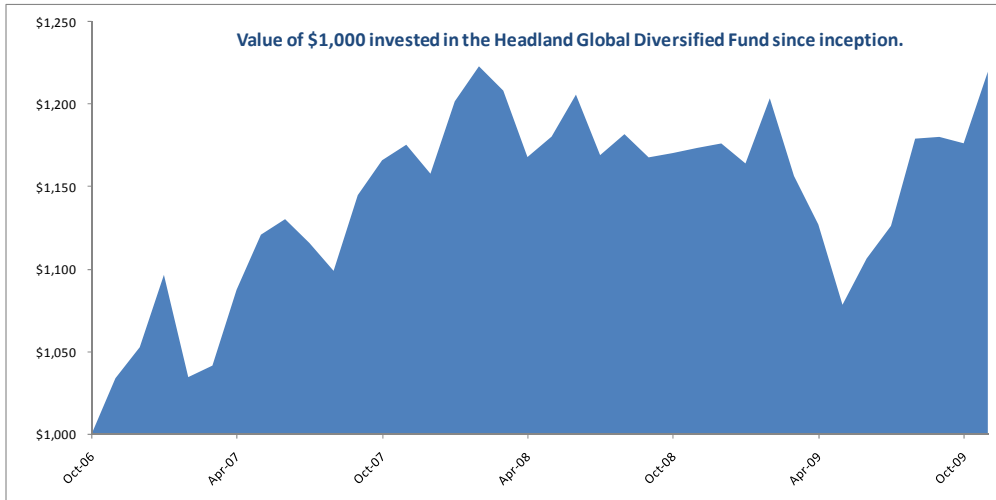


# Headland Global Diversified Fund

## 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 November 2009

1 month	3.68
3 month	3.44
1 year	4.34
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

<b>Latest Return Date:</b> November 2009		<b>Annualised Return:</b> 6.65%	
<b>Latest Month:</b>	<b>Latest 3 Months:</b>	<b>Latest 12 Months:</b>	<b>Latest 24 Months:</b>
3.68%	3.44%	4.34%	1.55%
<b>Total Return:</b>	<b>YTD:</b>	<b>Average Return:</b>	<b>Reporting frequency:</b>
21.94%	3.67%	0.57%	Monthly
<b>% Positive Months:</b>	<b>% Negative Months:</b>	<b>Best month:</b>	<b>Worst month:</b>
65.00%	35.00%	4.68%	-5.63%
<b>Largest Drawdown:</b>	<b>Time to recovery:</b>	<b>Average +ve Return:</b>	<b>Average -ve Return:</b>
-11.76%	19 months	2.16%	-2.37%

## Investment Terms

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

## Fund Fees

<b>Management fee:</b>	<b>Performance fee:</b>	<b>High water mark:</b>	<b>Hurdle:</b>
1.5%	20%	Yes	RBA Cash Rate

## Risk

<b>Annualised Standard Deviation:</b>	<b>Downside deviation:</b>	<b>Sortino ratio:</b>	<b>Sharpe Ratio:</b>
9.03%	6.66%	0.04	0.07
<b>Correlation to equities</b>	<b>Correlation to bonds</b>		
-0.09	0.05		

## Historical Performance

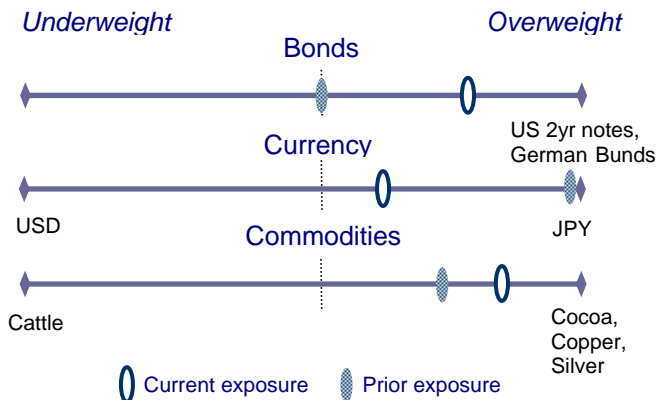
Year	Jan %	Feb %	Mar %	Apr %	May %	Jun %	Jul %	Aug %	Sep %	Oct %	Nov %	Dec %	YTD %
2009	-1.02	3.38	-3.90	-2.53	-4.31	2.59	1.76	4.68	0.09	-0.33	3.68		3.67
2008	3.78	1.76	-1.21	-3.32	1.06	2.15	-3.03	1.08	-1.18	0.24	0.27	0.23	1.70
2007	4.15	-5.63	0.67	4.40	3.06	0.84	-1.27	-1.50	4.15	1.85	0.79	-1.49	10.00
2006											3.43	1.81	5.30

# Headland Global Diversified Fund

## Investment process

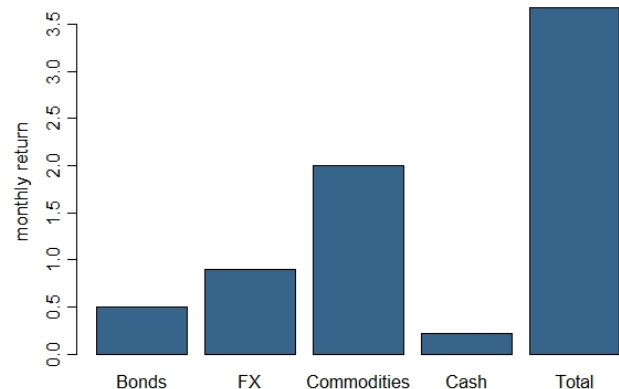
The Headland Global Diversified Fund seeks to provide investors with positive returns regardless of stock market performance. The Fund uses a quantitative process to allocate capital to major investment themes in global bond, currency and commodity markets.

## Asset Allocation



## Performance Attribution

Performance Attribution Nov-2009



## Investment strategy

Whilst there is much debate (and confusion) amongst commentators about the length and sustainability of the global economic recovery there is no doubt about the strength and consistency of market trends since March this year.

In June the Fund moved to a more inflationary asset allocation (overweight metals and underweight the US dollar). The Fund has since added 12.5% with positive performance in 5 of the last 6 months. Whilst it is debatable if markets are being driven by a dramatic economic recovery or the flood of cheap Government capital, market trends remain intact and we have maintained our current asset allocation.

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

US bonds yields fell to their lowest level this year. Investors now see short term interest rates remaining at low levels for some time and our happy to borrow short term in order to purchase longer dated bonds. The Fund added positions in European and US bonds which was positive for performance.

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

Continuing weakness in the US dollar drew comments from both US and Chinese officials. Regardless the US dollar fell to new lows for the year during the month. Long positions in the Euro, Australian dollar and Japanese Yen contributed positively to performance.

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

The Fund's long exposure to metals (Gold, Silver, Platinum and Copper) added significantly to performance. Performance was mixed in the rest of the Funds commodity exposure with profits in Cattle and Cocoa offset by a reversal of the recent price falls in Natural Gas.

Comments welcome.

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