

ASCALON H3 COMMODITIES FUND REPORT

May 2009

MONTHLY COMMENTARY

The Ascalon H3 Commodities Fund (ANCOMM) posted a return of 6.52% versus 3.72% for the DJAIG Total Return Index. On a 12 month basis, the Fund has returned -16.05% versus the Index return of -29.90%, and since inception has returned -4.22% versus -20.73% on the Index.

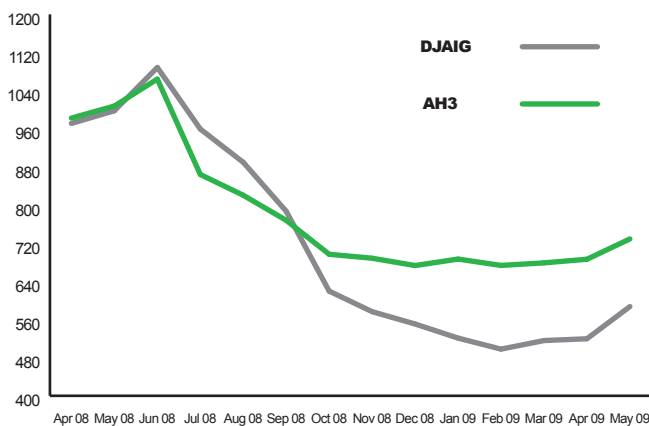
Signs of recovery in the global economy, improving sentiment and risk appetite, dwindling inventories and a declining U.S. dollar all contributed to the biggest commodity rally since 1974. Crude oil had its biggest monthly gain in a decade (+29.71%), and climbed above \$66 a barrel for the first time in six months, after OPEC left output unchanged on signs economy is recovering and fuel demand will increase. Gold climbed to the highest in more than three months (+9.83%) as the drop in the dollar increased demand for the precious metal as a store of value. Soybeans and com were strong (+10.65% and +10.09%) whilst wheat (+21.55%) had its biggest monthly gain since September 2007, on speculation that adverse weather will harm U.S. crops and delay planting. Sugar, the best performing commodity in the past year, gained +10.89% during the month as output was forecast to lag behind demand based on India becoming net importer. The end-of-month exposure was set at 80%, with the fund increasing exposure in view of current market trends.

PERFORMANCE (after fees)

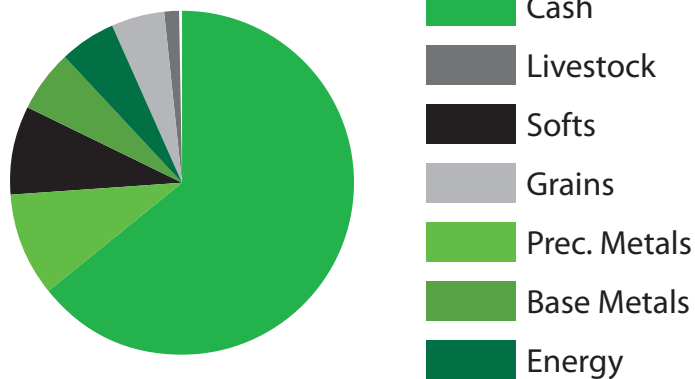
	1 MTH	3 MTH	6 MTH	1 YR	Inc
ANCOMM	6.52%	8.91%	6.33%	-16.05	-4.22%
DJAIG TR	3.72%	-5.88%	-17.13%	-29.90	-20.73%

"...dwindling inventories and a declining U.S. dollar all contributed to the biggest commodity rally since 1974...Gold climbed to the highest in more than three months as the drop in the dollar increased demand for the precious metal..."

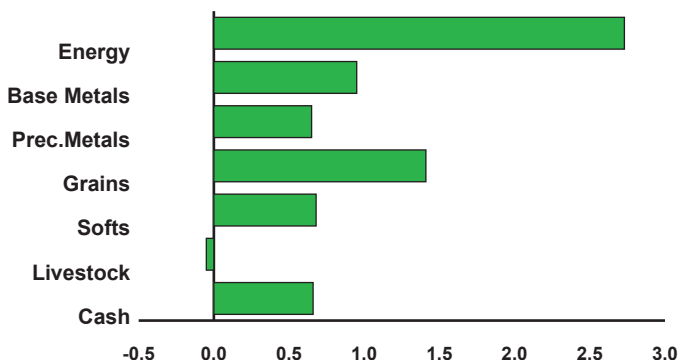
VAMI \$1000



ALLOCATION PER SECTOR



P/L ATTRIBUTION



AVERAGE DAILY EXPOSURE VS. BENCHMARK

Sector	HGCF	DJAIG TR	Over/Under
Energy	18.76%	32.59%	-13.83%
Base Metals	13.84%	20.97%	-7.13%
Prec. Metals	4.88%	11.58%	-6.70%
Grains	13.16%	20.29%	-7.13%
Softs	7.62%	8.82%	-1.20%
Livestock	.97%	5.75%	-4.78%
Cash	40.78%	0.00%	40.78%
Totals	100.00%	100.00%	0.00%

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INVESTMENT STRATEGY

The objective of the Fund is to provide investors with an actively managed commodities portfolio that seeks to generate returns that are equal or superior to that of major global commodity indices with the same or lower volatility, after fees and expenses, over a medium to long-term time horizon. In order to achieve the investment objective outlined above, the Fund utilizes quantitative trading models that have been successfully traded by the Investment Manager on global markets since 1996. A risk management overlay is used over the whole portfolio in order to minimise volatility and drawdowns.

FUND INFORMATION

Managed by:	H3 Global Advisors Pty Ltd	Fund fees	
Start Date:	17 April 2008	Management fee (incl. GST)	0.75%pa (taken from the underlying fund)
Fund size as at 31 May 2009	\$1,261,261.90	Est. Expense Recoveries	0.10% pa
Investment Minimums		Other fees	0.62% pa
Initial Investment	\$50,000	Performance fee	15%pa of outperformance of bench mark (taken from the underlying fund)
Additional Investments	\$10,000	Transaction costs	+/- 0.10% pa
Withdrawal	\$10,000		

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