

ASCALON H3 COMMODITIES FUND REPORT

July 2009

MONTHLY COMMENTARY

The Ascalon H3 Commodities Fund (ANCOMM) posted a return of 2.10% versus 0.39% for the DJAIG Total Return Index. On a 12 month basis, the Fund has returned -14.14% versus the Index return of -29.89%, and since inception has returned -2.66% versus -20.01% on the Index.

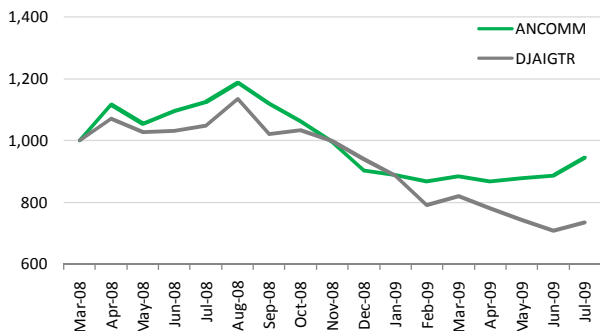
Talk of 'green shoots' saw most commodity markets well bid over the course of the month. In particular, base metals such as Copper saw significant gains on news of China's restocking at historically low prices and also as a way to diversify its assets out of US dollars. Whilst global economic activity is still falling, it is falling 'less fast' which has led to bullish comments by central bankers and market commentators. The build up in liquidity globally is also playing a role; commodities are a natural place to diversify into, especially in light of the long term bearish outlook of the US dollar. Other sectors that added value over the course of the month were precious metals and softs, with the notable mover being Sugar. A drop in sugar inventories in India (the world's largest consumer) saw the commodity well bid...commodities are a natural place to diversify into, especially in light of the long term bearish outlook of the US dollar... Fund month-end-exposure was set at 69%. For the foreseeable future we are comfortable holding relatively high levels of cash. Various sectors have shown signs of improvement on a technical basis, however the ongoing build in inventories in sectors such as base metals is in an area of concern. Certain commodities provide significant opportunities over the next 12 to 24 months, whilst the prices of other commodities seem to have run ahead of fundamentals for the present time.

PERFORMANCE (AFTER FEES)

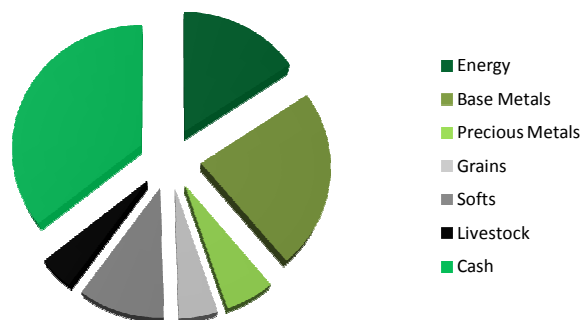
	1 MTH	3 MTH	6 MTH	1 YR	INC p.a.
ANCOMM	2.10%	8.35%	8.59%	-14.14%	-2.66%
DJAIGTR\$	0.39%	1.13%	-12.70%	-29.89%	-20.01%

"...base metals such as Copper saw significant gains on news of China's restocking at historically low prices...A drop in sugar inventories in India (the world's largest consumer) saw the commodity well bid...commodities are a natural place to diversify into, especially in light of the long term bearish outlook of the US dollar..."

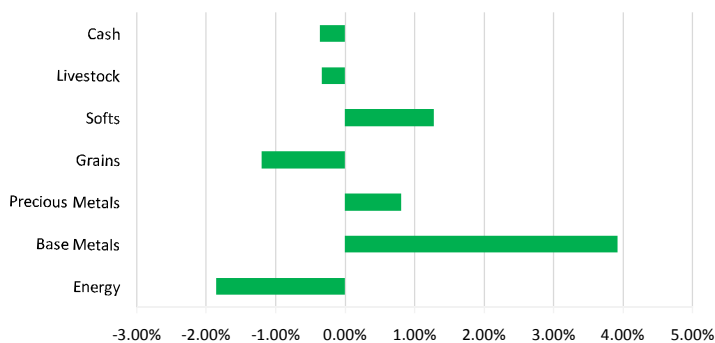
VAMI AUD\$1000



UNDERLYING FUND ALLOCATION PER SECTOR



UNDERLYING FUND P&L ATTRIBUTION



UNDERLYING FUND AVERAGE EXPOSURE

Sector	H3GCF	DJAIGTR	Over/Under
Energy	15.65%	32.59%	-16.94%
Base Metals	23.30%	20.97%	2.32%
Precious Metals	5.93%	11.58%	-5.65%
Grains	4.66%	20.29%	-15.63%
Softs	10.48%	8.82%	1.66%
Livestock	4.23%	5.75%	-1.52%
Cash	35.75%	0.00%	35.75%
Total	100.00%	100.00%	0.00%

INVESTMENT STRATEGY OVERVIEW

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	31st January 2008	Management Fee (incl. GST)	0.75% p.a. (taken from the underlying fund)
Fund size (as at 31 July 2009)	\$2,027,798.93	Est. Expense Recoveries	0.10% p.a.
Investment Minimums		Other Fees	0.62% p.a.
Initial Investment	\$50,000.00	Performance Fee	15% p.a. of benchmark outperformance (taken from underlying fund)
Additional Investment	\$10,000.00	Transaction Costs	+/- 0.10% p.a.
Withdrawal	\$10,000.00		

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Ascalon
Capital Managers