

ASCALON H3 COMMODITIES FUND REPORT

August 2009

MONTHLY COMMENTARY

The Ascalon H3 Commodities Fund (ANCOMM) posted a return of 0.41% versus -1.96% for the Index. On a 12 month basis, the Fund has returned -9.23% versus the Index return of -32.12%, and since inception has returned -2.26% versus -20.05% on the Index.

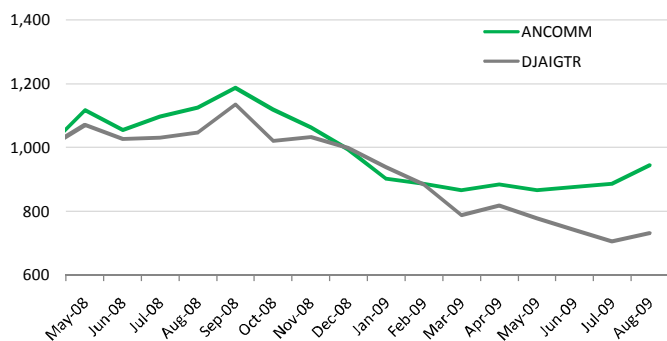
Sugar, the star of the month, rose to 28-year highs (+31.06%) on signs of rising import demand and increasing speculation of an upcoming production deficit year. The price of sugar more than doubled this year on concerns that drought may curb output from India, and too much rain is slowing the harvest and reducing yields in Brazil. Speculation that China, the world's largest oilseed consumer, will curb demand due to tighter credit conditions led to a decline in Soybeans (-3.00%). Lean hogs dropped during the month (-14.06%), the third straight monthly decline, as the recession and swine flu outbreak reduced demand for pork. Copper was strong (+7.32%) as the rally in global equities fueled speculation that an economic recovery will lead to increased demand for the industrial metal that is used extensively in building construction industry. Natural gas continued to test multi-year lows (-18.51% for the month) due to decreasing demand and excessive inventories. This is reflected by the forward curve being in steep contango near the front month and rising steadily over the spectrum. Storage costs continue to make up a large part of the price of natural gas, which means that the curve will not flatten out until future supply is seen to be declining. Month-end-exposure was set at 57% and the fund continues to hold a comfortable level of cash.

PERFORMANCE (AFTER FEES)

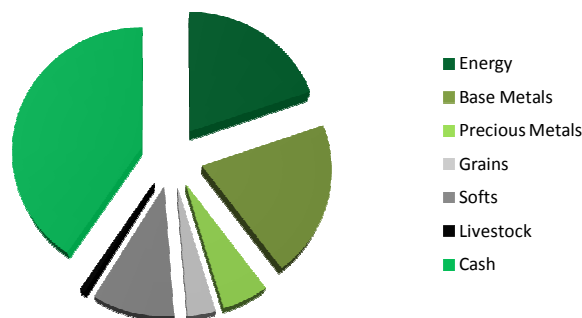
	1 MTH	3 MTH	6 MTH	1 YR	INC p.a.
ANCOMM	0.41%	2.14%	11.24%	-9.23%	-2.26%
DJAIGTRAS	-1.96%	-4.41%	-10.03%	-32.12%	-20.05%

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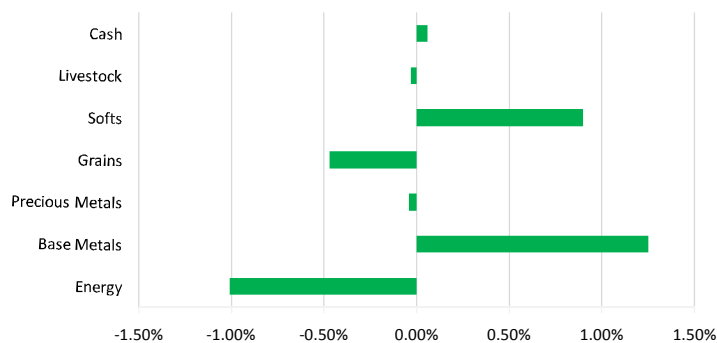
VAMI AUD\$1000



UNDERLYING FUND ALLOCATION PER SECTOR



UNDERLYING FUND P&L ATTRIBUTION



UNDERLYING FUND AVERAGE EXPOSURE

Sector	H3GCF	DJAIGTR	Over/Under
Energy	19.70%	32.93%	-13.23%
Base Metals	20.14%	25.18%	-5.04%
Precious Metals	5.57%	10.73%	-5.16%
Grains	3.38%	16.40%	-13.02%
Softs	9.96%	9.17%	0.79%
Livestock	0.63%	5.59%	-4.96%
Cash	40.61%	0.00%	40.61%
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 August 2009)	\$3,416,257.83	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