

ASCALON H3 COMMODITIES FUND REPORT

September 2009

MONTHLY COMMENTARY

The Ascalon H3 Commodities Fund (ANCOMM) posted a return of -0.47% versus -2.97% for the Index. On a 12 month basis, the Fund has returned -3.49% versus the Index return of -31.81%, and since inception has returned -2.43% versus -20.62% on the Index.

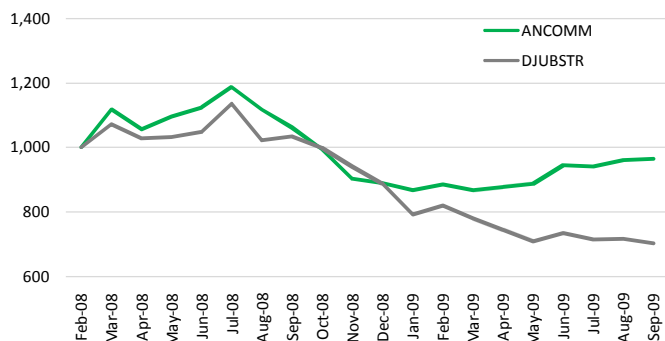
Signs of recovery and a possible end to the financial crisis led to a significant rally in equities globally (MSCI World +4.41%). US Dollar weakness lifted the prices of fuel and raw materials across the board, while the agricultural sectors saw price declines. Long positions in lead and zinc provided much of the profit during the month, as a recovery in base metals resulted in a strong appreciation of +20.94% and +4.77% respectively. Natural gas also added value, up +62.61% for the month, as producers eased back on activity while gas prices are at low levels and the upcoming winter is expected to have a significant impact on demand and may influence the shape of the storage curve. Cocoa contributed to profit as prices jumped (+13.28%) on speculation that global demand will outstrip production for a fourth straight year and gold continued to shine (+5.86%) on fears that global currencies will decline and trigger inflation. Sugar, the previous month's winner, was the highest detractor from profit this month, as weather threats and supply issues were mitigated and investors shifted money into metals in order to obtain higher returns. The challenging intra-month volatility in coffee detracted from profit during the month while copper was flat as increasing inventories signalled that the demand for the metal might be dissipating. The Fund finished the month with month-end exposure set at 70%.

PERFORMANCE (AFTER FEES)

	1 MTH	3 MTH	6 MTH	1 YR	INC p.a.
ANCOMM	-0.47%	2.04%	9.40%	-3.49%	-2.43%
DJUBSTR A\$	-2.97%	-4.51%	-8.36%	-31.81%	-20.62%

"...US Dollar weakness lifted the prices of fuel and raw materials across the board, while the agricultural sector saw price declines...gold continued to shine on fears that global currencies will decline and trigger inflation...Cocoa contributed to profit as prices jumped..."

VAMI AUD\$1000



KEY MARKETS

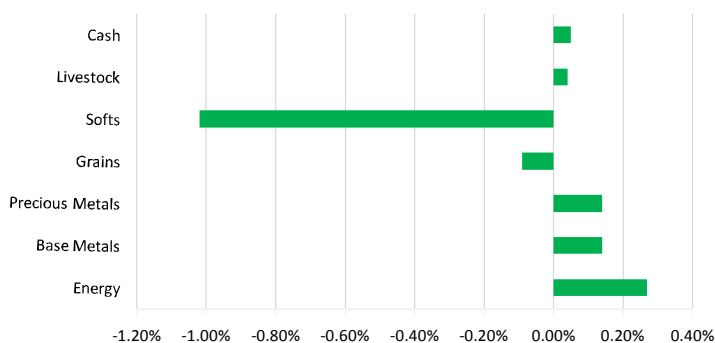
WINNERS

Lead
Zinc
Natural Gas

LOSERS

Sugar
Coffee
Copper

UNDERLYING FUND P&L ATTRIBUTION



UNDERLYING FUND AVERAGE EXPOSURE

Sector	H3GCF	DJUBSTR	Over/Under
Energy	9.72%	32.93%	-23.21%
Base Metals	20.27%	25.18%	-4.91%
Precious Metals	10.83%	10.73%	0.10%
Grains	2.43%	16.40%	-13.97%
Softs	11.22%	9.17%	2.05%
Livestock	1.03%	5.59%	-4.56%
Cash	44.51%	0.00%	44.51%
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 30 September 2009)	\$3,924,288.20	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