

# ASCALON H3 COMMODITIES FUND REPORT

November 2009

## MONTHLY COMMENTARY

The Ascalon H3 Commodities Fund (ANCOMM) posted a return of +2.22% versus +3.52% for the Index. On a 12 month basis, the Fund has returned +12.23% versus the Index return of +11.37%, and since inception has returned -0.34% versus -28.01% on the Index. Globally, equities rallied, with China and US posting strong returns over the month (+6.66% and +5.74% respectively)

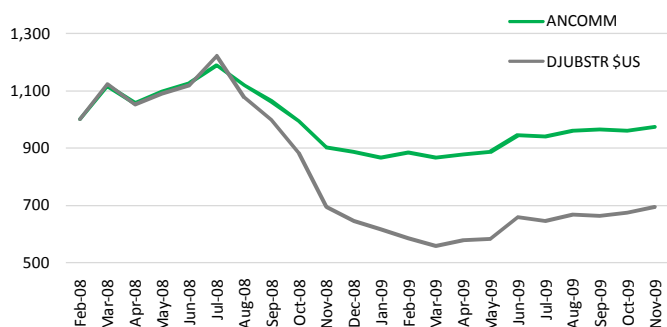
The gold price breached \$1,200/ounce and contributed most to monthly profit, as the greenback continued to fall and central banks stepped up purchases of the metal as a reserve asset. The US Mint suspended sales of American Eagle coins made from the precious metal citing depleted inventories after sales surged 88% in the first 10 months of the year. Corn rallied (+10.04%) as heavy rain led to significant delay in harvesting of US crops this year and soybeans surged (+8.44%) after drought impacted supply earlier in the year. Coffee pushed higher (+4.65%) on speculation output will decline while demand is expected to increase. Lean hogs rose to a six-month high (+3.35%) as rising wholesale values signaled improved demand for meat. Energies generally detracted from profit this month. Natural gas and gas oil lost ground (-3.90% and -1.68%) as output and inventories increased, while the global recession cut demand. Sugar declined (-0.41%) as fears of a slower economic recovery dimmed demand outlook. End-of-month exposure was 74%. The Fund continues to actively manage all sector and commodity allocations and we believe that the active sector tilts will add significant value over the next 12 months.

## PERFORMANCE (AFTER FEES)

	1 MTH	3 MTH	6 MTH	1 YR	INC
ANCOMM	2.22%	3.34%	5.54%	12.23%	-0.34%
DJUBSTR US\$	3.52%	8.59%	9.33%	11.37%	-28.01%

*"...The gold price breached \$1,200/ounce and contributed most to monthly profit, as the greenback continued to fall...Coffee pushed higher on speculation output will decline...Lean hogs rose to a six-month high as rising wholesale values signaled improved demand for meat..."*

## VAMI AUD\$1000



## KEY MARKETS

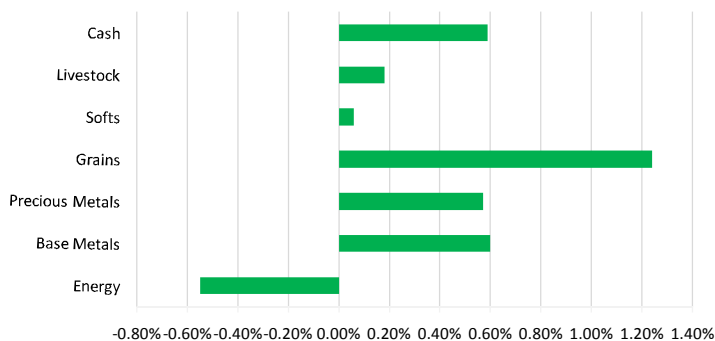
### WINNERS

Gold  
Corn  
Wheat

### LOSERS

Gas Oil  
RBOB  
Brent Crude

## UNDERLYING FUND P&L ATTRIBUTION



## UNDERLYING FUND AVERAGE EXPOSURE

Sector	H3GCF	DJUBSTR	Over/Under
Energy	11.60%	33.14%	-21.54%
Base Metals	15.45%	25.32%	-9.87%
Precious Metals	7.98%	11.29%	-3.31%
Grains	11.16%	14.90%	-3.74%
Softs	5.54%	10.28%	-4.74%
Livestock	3.52%	5.07%	-1.55%
Cash	44.74%	0.00%	44.74%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>

## 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

<b>Managed by</b>	H3 Global Advisors Pty Ltd	<b>Fund Fees</b>	
<b>Start Date</b>	31st January 2008	<b>Management Fee (incl. GST)</b>	0.75% p.a. (taken from the underlying fund)
<b>Fund size (as at 30 November 2009)</b>	\$9,879,908.53	<b>Est. Expense Recoveries</b>	0.10% p.a.
<b>Investment Minimums</b>		<b>Other Fees</b>	0.62% p.a.
<b>Initial Investment</b>	\$50,000.00	<b>Performance Fee</b>	15% p.a. of benchmark outperformance (taken from underlying fund)
<b>Additional Investment</b>	\$10,000.00	<b>Transaction Costs</b>	+/- 0.10% p.a.
<b>Withdrawal</b>	\$10,000.00		

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**Ascalon**  
Capital Managers