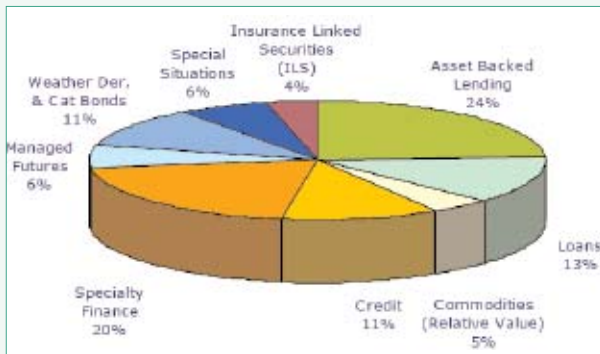
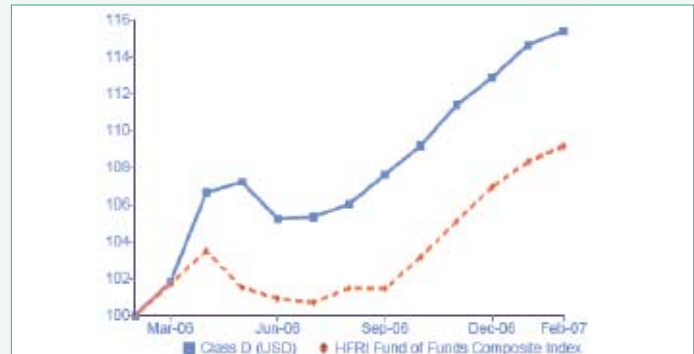


## FINANCIAL FIX: THE MILLENNIUM WAVE FUND (MWF)



MWF's portfolio allocation (as of Jan. 2007)



Performance since inception (as of Feb. 2007) - source: Absolute Return Partners LLP

**Focus:** MWF is a fund of hedge funds that invests in non-directional, niche strategies where barriers to entry tend to be high. The portfolio aims to achieve low correlations among the underlying funds and to traditional assets classes. It targets returns of 12-18% pa

**Strengths:** niche expertise; network

**Weaknesses:** fairly concentrated portfolio (implicit manager risk)

**Opportunities:** the "commoditisation" of hedge funds and the pressure exerted on them to perform has drawn attention to 'alternative alternatives' as a source of performance and as a means of generating uncorrelated and competitive returns

**Threats:** some strategies may be illiquid; could have capacity constraints; exhibit signs of high correlations in times of a convergence

### Risk

□ = low □ = low/moderate □ = moderate □ = moderate to high ■ = high

#### At FoF level:

Major risk: underlying manager risk

Expertise in identifying non directional fund managers for portfolio: □ □ □ □ ■

Ability to actually invest with the above mentioned managers: □ □ □ □ ■

Ability to secure capacity with the above mentioned managers: □ □ □ □ ■

Ability to enter and exit the manager at the „right“ time: □ □ □ □ □

Ability to manage „downside risk“: □ □ □ □ □

Ability to efficiently put to work and manage invested capital: □ □ □ □ ■

Ability to consistently deliver targeted returns:

Over next 12 months: □ □ □ □ □

Over the next 3 years: □ □ □ □ ■

Avg correlation of managers in the portfolio: □ □ □ □ □

Expertise in conducting due diligence: □ □ □ □ □

Strategy risk borne: □ □ □ □ □

Currency risk borne: □ □ □ □ □

Leverage risk: □ □ □ □ □

Market risk: □ □ □ □ □

Direction risk: □ □ □ □ □

Ability to identify:

style drifts: □ □ □ □ □

non performance: □ □ □ □ □

Ability to manage FoF and managed accounts pari-passu: □ □ □ □ □

Key man risk: □ □ □ □ □

#### As applicable to FoF underlyings:

Ability to manage market risk, if relevant: □ □ □ □ □

Ability to effectively manage downside risk: □ □ □ □ □

Ability to effectively manage currency related risk: □ □ □ □ □

Ability to successfully manage leverage related risk: □ □ □ □ □

### Performance Parameters

■ =insufficient ■ =adequate ■ =satisfactory ■ =good ■ =outstanding

No. of underlying managers in the portfolio: 12

Consistency in delivering targeted returns since inception: ■ ■ ■ ■ □

Ability to deliver targeted returns in a:

rising market: ■ ■ ■ □ □

falling market: ■ ■ ■ □ □

sideway trending market: ■ ■ ■ □ □

Competition from similar FOFs: low

MWF correlation(March 2006 - Feb. 2007) to: ( > 0.38 is high)

Equity: MSCI World Index: 0.51

Bonds: ML Global Govt. Bond Index: 0.27

Hedge funds:HFRI Fund Weighted Composite: 0.62

Commodities:GSCI: 0.22

Suitability for:




inclusion in a conservative portfolio: ■ ■ □ □ □


inclusion in a balanced portfolio: ■ ■ ■ □ □


inclusion in an opportunistic portfolio: ■ ■ ■ ■ □

## FINANCIAL FIX: THE MILLENNIUM WAVE FUND (MWF)

### Outlook

 upside potential  
  upside to range bound  
  range bound  
  range bound to down  
  downside

MWF outlook on the space: 

Scope for similar FoFs: 

Ability to consistently deliver targeted returns:

Over next 12 months: [high](#)

Over the next 3 years: [high](#)

Barriers to entry: [fairly high](#) - requires expertise in the alternative alternatives space

FoF max. Capacity (AuM): USD350 million; (also runs mandated managed accounts)

### Investment Insights

Target audience: [institutions, family offices and HNWI](#)

Level of complexity for an investor: [moderate](#)

To optimise returns, avg recommended holding period: [min. 1 year](#)

Investors access: [global](#)

Base currency: [USD](#)

Other currencies it is available in: [EUR, GBP](#)

Liquidity provided: [monthly](#)

Listed on: [the Irish Stock Exchange](#)

Fees: [1% management, 10% performance](#)

Transparency provided: [high](#)

Registered with: [FSA](#)