



C A M B R I D G E A S S O C I A T E S L L C

HEDGE FUNDS: A Framework for Making Strategy Allocation Decisions

2007

Stephen Tedeschi
Maggie Patton
Jeffrey Chang
Ryan Mariner

Copyright © 2007 by Cambridge Associates LLC. All rights reserved.

This report may not be displayed, reproduced, distributed, transmitted, or used to create derivative works in any form, in whole or in portion, by any means, without written permission from Cambridge Associates LLC ("CA"). Copying of this publication is a violation of federal copyright laws (17 U.S.C. 101 et seq.). Violators of this copyright may be subject to liability for substantial monetary damages. The information and material published in this report are confidential and non-transferable. This means that authorized members may not disclose any information or material derived from this report to third parties, or use information or material from this report, without prior written authorization. An authorized member may disclose information or material from this report to its staff, trustees, or Investment Committee with the understanding that these individuals will treat it confidentially. Additionally, information from this report may be disclosed if disclosure is required by law or court order, but members are required to provide notice to CA reasonably in advance of such disclosure. This report is provided for informational purposes only. It is not intended to constitute an offer of securities of any of the issuers that are described in the report. This report is provided only to persons that CA believes to be "Accredited Investors" as that term is defined in Regulation D under the Securities Act of 1933. When applicable, investors should completely review all Fund offering materials before considering an investment. No part of this report is intended as a recommendation of any firm or any security. Factual information contained herein about investment firms and their returns which has not been independently verified has generally been collected from the firms themselves through the mail. CA can neither assure nor accept responsibility for accuracy, but substantial legal liability may apply to misrepresentations of results delivered through the mail. The CA manager universe statistics, including medians, are derived from CA's proprietary database covering investment managers. These universe statistics and rankings exclude managers that exclude cash from their reported total returns, and for calculations including any years from 1998 to the present, those managers with less than \$50 million in product assets. Returns for inactive (discontinued) managers are included if performance is available for the entire period measured. Performance results are generally gross of investment management fees. CA does not necessarily endorse or recommend the managers in this universe.

Cambridge Associates LLC is a Massachusetts limited liability company headquartered in Boston, MA with branch offices in Arlington, VA; Dallas, TX; and Menlo Park, CA. Cambridge Associates Limited is a Massachusetts limited liability company headquartered in Boston, MA and registered in England and Wales (No. FC022523, Branch No. BR005540). Cambridge Associates Limited also is registered to conduct business in Sydney, Australia (ARBD 109 366 654). Cambridge Associates Asia Pte Ltd is a Singapore corporation (Registration No. 200101063G).

C O N T E N T S

Abstract	1
Summary	5
Exhibits	
Long/Short Equities	
1 Representative Hedge Fund Mangers – U.S. Long/Short Growth.....	25
2 Representative Hedge Fund Mangers – U.S. Long/Short Value.....	29
3 Representative Hedge Fund Mangers – Sector Specific	35
4 Representative Hedge Fund Mangers – Global Long/Short	41
5 Representative Hedge Fund Mangers – Market-Neutral.....	45
6 Representative Long/Short Funds-of-Funds.....	49
7 Representative Short-Selling Funds.....	53
8 Representative Hedge Fund Mangers – Emerging Markets Sector	55
9 Representative Asian Sector Hedge Funds.....	59
10 S&P 500 Equities by Style.....	67
11 The Market Capitalization Effect: 2006 Total Returns for S&P 500 Market Capitalization Deciles.....	68
12 Best and Worst Performers Among S&P 500 Sub-Industries	69
Distressed Securities	
13 Number of Bankruptcy Filings and Corresponding Assets of Public Companies	71
14 Number of Public Bankruptcies and Percentage with Assets of \$1 Billion or More	72
15 Total Assets of Public Bankruptcies and Percentage with Assets of \$1 Billion or More	73
16 Largest Public Company Bankruptcies	74
17 Mortality Rates by Original Rating of All Rated Corporate Bonds.....	75
18 Mortality Rates by Original Rating of B and CCC Rated Corporate Bonds	76
19 Par Value of High-Yield New Issues and Percentage Rated B- or Lower	77
20 Historical High-Yield Bond Default Rates.....	78
21 Representative Distressed Securities Managers	79
22 Corporate Bond Defaults by Industry	87
23 Weighted Average Recovery Rates on Defaulted Debt by Seniority per \$100 Face Amount	88
24 Second-Lien Loan Volume	89

C O N T E N T S

Exhibits (continued)

Merger Arbitrage

25	Announced U.S. Mergers and Acquisitions.....	91
26	Percentage of Cancelled Merger Transactions.....	92
27	Announcement of Acquisitions by Form of Payment.....	93
28	Largest Announced Acquisitions.....	94
29	Completed Global Merger and Acquisition Activity.....	95
30	Completed Merger and Acquisition and Leveraged Buyout Activity.....	96
31	Completed Leveraged Buyouts and Capital Raised by Buyout Funds.....	97
32	Representative Merger Arbitrage Funds.....	98

Convertible Arbitrage

33	Merrill Lynch High-Yield Master II Bond Index: Spread Relative to Ten-Year Treasury Bonds.....	101
34	Convertible Bond Issuance.....	102
35	Historical Volatility.....	103
36	Yield Spreads for Selected Bond Rating Categories.....	104
37	Representative Convertible Arbitrage Funds.....	105
38	Representative Multi-Strategy Funds-of-Funds.....	106
39	Representative Multi-Strategy Funds.....	119

ABSTRACT

1. Hedge fund advisors can create value for investors in three ways: (1) manager selection, (2) strategy allocation, and (3) risk management. While we continue to assert the primacy of manager selection—especially considering the wide dispersion of returns among managers and the increasing size and complexity of the hedge fund industry—the purpose of this report is to discuss our approach to strategy allocation. Herein we present our current views on the investment climate for marketable alternatives in general, a basic framework for making strategy allocation decisions, the key return drivers and investment backdrops in five core marketable alternative strategies, and our recommendations for program construction.
2. We believe that the return on assets (ROA) in each marketable alternative strategy is dependent on strategy-specific return drivers *and* the competitive landscape. Strategy-specific return drivers determine whether opportunity sets are expanding or contracting (and create opportunities to generate incremental gains), while the competitive landscape determines the extent of pricing inefficiencies within each opportunity set and the speed at which those inefficiencies are identified and eliminated.
3. Recognizing that forecasting the ROA for marketable alternative strategies is an inherently imprecise exercise, we prefer to use a range of possible outcomes to express our expectations. The range is set by the competitive landscape within each industry, while our forecast within that range is set by our current evaluation of strategy-specific return drivers. In other words, as competition within a strategy intensifies, the entire range of expected ROA shifts lower. However, if return drivers within a strategy are trending positively and provide a substantial tailwind to managers, we expect that the ROA of that strategy will register at the high end of our expected range.
4. It is critical to note that the framework we present does not incorporate a third factor that determines the net ROA received by investors, namely the cost associated with accessing the ROA in each strategy. As we have mentioned in previous reports, the cost associated with establishing exposure to alternative *strategy betas* through active managers has risen dramatically over the years. While it has long been our view that hedge fund fees should be highly correlated with expected returns, the two have decoupled. With institutional demand for hedge funds continuing to accelerate, managers enjoy a tremendous amount of pricing power and have been exercising that power liberally.
5. The distinction between ROA and return on equity (ROE) is becoming more important today as leverage in the hedge fund industry continues to rise. While many investors are cognizant of balance sheet leverage in their hedge fund programs (i.e., margin leverage), few are aware of the extent to which managers are using off-balance sheet leverage to amplify returns. Off-balance sheet leverage has many guises, but is generally established through equity derivatives, swaps, and asset securitizations.
6. A core tenet of our approach to strategy allocation has always been to evaluate the ROA in various hedge fund strategies without any consideration for the degree to which those strategies can be leveraged. For

example, we have historically avoided strategies (such as global fixed income arbitrage) where managers are forced to gear low ROA into high ROE in order to satisfy investor expectations. Similarly, a core tenet of our approach to manager evaluation has always been to focus on the quality of earnings generated by managers, which includes a careful analysis of the leverage used to generate returns.

7. According to one leading data provider, hedge fund assets under management have mushroomed from \$39 billion in 1990 to \$1.11 trillion at the beginning of 2006 and more than \$1.43 trillion at the beginning of 2007. (More aggressive data providers set the size of the industry at more than \$2 trillion.) This surge in assets under management has been accompanied by a similarly startling increase in the number of marketable alternative managers, with 610 partnerships operating in 1990 versus 8,664 at the beginning of 2006 and 9,462 today. Remarkably, most industry sources indicate that the pace of capital inflows accelerated during the first quarter of 2007.
8. The increase in proprietary trading activity has paralleled the growth in traditional hedge fund assets. Global investment banks have made massive investments in proprietary trading operations during the past three years, resulting in a dramatic rise in trading revenues and Value-at-Risk (VaR). Trading revenues at Goldman Sachs, Merrill Lynch, and Morgan Stanley swelled 58.0%, 39.7%, and 37.2%, respectively, during 2006, while the average increase in trading revenues at the ten largest investment banks was 28.5%.
9. We believe that sustained capital flows into the hedge fund industry, a marked increase in proprietary trading on Wall Street, and significant advances in computing power have greatly intensified competition and led to a gradual degradation of ROA in most marketable alternative strategies. *So why have hedge fund returns remained reasonably strong?* We believe that the answer to this question is twofold. First, a systemic rise in leverage has obscured the degradation in ROA by allowing managers to generate attractive ROE. Second, many managers have been migrating capital into private and illiquid strategies that inherently have higher ROA in order to compensate for declining returns in marketable strategies.
10. While we recognize that leverage is not inherently dangerous—especially when judiciously applied to attractively priced assets—we caution that a systemic rise in leverage in all corners of the global capital markets has important implications. The application of leverage to historically low-volatility assets (e.g., bank loans, portfolios of hedge funds) may appear prudent *in most circumstances*, but amplifies losses during extreme market dislocations. We are disheartened by the fact that systemic leverage appears to be rising during a period when most asset classes appear to be richly valued.
11. While we have a tremendous amount of respect for the capital allocation skills of many of the large multi-strategy managers who are migrating cash into private and illiquid strategies, we believe that their decision to pursue these strategies has more to do with the degradation of returns in traditional, marketable businesses than with the attractiveness of the non-marketable opportunity set. We remain circumspect about the ability of hedge fund managers to successfully compete with traditional private equity sponsors, and question their ability to create value through operational enhancements (rather than through financial engineering) across the economic cycle.

12. From our vantage point, the asset securitization market will most likely be the epicenter of the next global financial crisis. While we do not ascribe an extremely high probability to the following chain of events, we can envisage a scenario in which turmoil in the asset securitization market—precipitated by a rash of defaults, or rating downgrades, or both—leads to a dramatic widening of credit spreads. We believe that explosive growth in the asset securitization market has kept credit spreads artificially tight in recent years by creating an unsustainable demand for bonds and loans. If the asset securitization market seizes up, this demand will wane—making it much more difficult to finance leveraged acquisitions and removing the private equity floor on public equity valuations.
13. With respect to strategy allocations, our advice is basically unchanged from last year. We recommend that investors increase their allocations to multi-strategy managers and fundamental long/short equity managers while allocating incremental capital to niche managers. (Given our view that the asset securitization market will be the epicenter of the next financial crisis, we strongly recommend allocations to niche managers with short credit mandates.) Tactical allocations to single-strategy managers make sense only if organizations possess differentiated expertise, have global investment platforms, and enjoy the tailwind of positively trending return drivers.
14. We continue to believe that success in building marketable alternative programs is primarily dependent on the ability to identify marketable alternative managers who are consistently able to beat the baseline ROA in each strategy. This is an exhaustive task given the size and complexity of the hedge fund industry, and requires extensive human resources, global research capabilities, and a systematic approach to evaluating and monitoring managers.

SUMMARY

Introduction

Hedge fund advisors can create value for investors in three ways: (1) manager selection, (2) strategy allocation, and (3) risk management. While we continue to assert the primacy of manager selection—especially considering the wide dispersion of returns among managers and the increasing size and complexity of the hedge fund industry—the purpose of this report is to discuss our approach to strategy allocation. Herein we present our current views on the investment climate for marketable alternatives in general, a basic framework for making strategy allocation decisions, the key return drivers and investment backdrops in five core marketable alternative strategies, and our recommendations for program construction.

Investment Climate

Competitive Landscape

We believe that intensifying competition in the hedge fund industry is leading to a gradual degradation of return on assets (ROA) in many marketable alternative strategies, particularly strategies that are characterized by finite opportunity sets (e.g., merger arbitrage, distressed securities, convertible arbitrage, and event-driven equities). While it is difficult to quantify the level of competition, it is instructive to examine the surge in assets under management at traditional hedge fund organizations and the unprecedented increase in proprietary trading activity by the world's largest investment banks.

According to one leading data provider, hedge fund assets under management have mushroomed from \$39 billion in 1990 to \$1.11 trillion at the beginning of 2006 and more than \$1.43 trillion at the beginning of 2007.¹ (More aggressive data providers set the size of the industry at more than \$2 trillion.) This surge in assets under management has been accompanied by a similarly startling increase in the number of marketable alternative managers, with 610 partnerships operating in 1990, versus 8,664 at the beginning of 2006, and 9,462 today. Remarkably, most industry sources indicate that the pace of capital inflows accelerated during the first quarter of 2007.

The increase in proprietary trading activity has paralleled the growth in traditional hedge fund assets. Global investment banks have made massive investments in proprietary trading operations during the past three years, resulting in a dramatic rise in trading revenues and Value-at-Risk (VaR).² Trading revenues at Goldman Sachs, Merrill Lynch, and Morgan Stanley swelled 58.0%, 39.7%, and 37.2%, respectively, during 2006, while the average increase in trading revenues at the ten largest investment banks was 28.5%. Goldman Sachs—which garnered an astounding \$7.7 billion in trading revenues during the *first quarter* of 2007—increased VaR by 44% last year, while Morgan Stanley recently increased VaR by 55% and openly avowed to assume more principal trading risk.³

¹ Source: Chicago-based Hedge Fund Research Inc., Fourth Quarter 2006, www.hedgefundresearch.com.

² VaR is a measure of the maximum amount a portfolio of assets is expected to decline in a given period within a confidence interval. U.S. banks typically measure daily VaR at a 95% confidence interval.

³ Shanny Basar, "Behind Wall Street's Trading Profits," *Financial News Online US*, March 27, 2007.

Whence the Disconnect?

If our conclusion about declining ROA has merit, why have hedge fund returns remained reasonably strong? We believe that the answer to this question is twofold. First, a systemic rise in leverage has obscured the degradation in ROA by allowing managers to generate attractive returns on equity (ROE). Second, many managers have been migrating capital into private and illiquid strategies that inherently have higher ROA in order to compensate for declining returns in marketable strategies.

Leverage

We have seen a meaningful rise in the use of balance sheet leverage and off-balance sheet leverage during the past few years. With prime brokers embroiled in a pitched battle for market share, lending standards in the hedge fund industry have become alarmingly lax. Reports abound about prime brokers lowering initial margin requirements for over-the-counter derivatives, reducing the haircuts they assess on highly rated collateral, and agreeing to accept less liquid instruments as collateral.

Most hedge funds are now able to borrow money from their prime brokers on extremely attractive terms, and are able to leverage portfolios using equity derivatives, swaps, and asset securitizations in a manner that is opaque to most investors. As Warren Buffett of Berkshire Hathaway recently observed at his annual shareholders' meeting, the extensive use of exotic instruments to establish off-balance sheet leverage has rendered the regulation of margin requirements virtually meaningless.

While we recognize that leverage is not inherently dangerous—especially when judiciously applied to attractively priced assets—we caution that a systemic rise in leverage in all corners of the global capital markets has important implications. The application of leverage to historically low-volatility assets (e.g., bank loans, portfolios of hedge funds) may appear prudent *in most circumstances*, but amplifies losses during extreme market dislocations. We are disheartened by the fact that systemic leverage appears to be rising during a period when most asset classes appear to be richly valued, especially since extreme market dislocations—the “black swans” recently popularized by Nassim N. Taleb—tend to roil the capital markets with surprising frequency.⁴

Private Investments

As we discussed in our 2006 research report *Trends in the Hedge Fund Industry*, hedge fund managers have also been migrating meaningful amounts of capital into private and illiquid strategies that they believe offer superior ROA to marketable strategies. Traditionally, commercial banks lent money to companies and investment banks helped companies re-engineer their capital structures. Now, well-capitalized hedge fund organizations believe they can disintermediate banks by offering both of these services on relatively attractive terms. These organizations claim that they possess all of the requisite skill

⁴ Nassim N. Taleb is a literary essayist and mathematical trader who authored two books (*Fooled by Randomness* and *The Black Swan*) that have popularized the metaphor of the “black swan” to describe highly improbable, high-consequence capital market events. The metaphor was first employed by John Stuart Mill.

sets to successfully compete with traditional intermediaries: domain expertise, valuation expertise, and corporate finance expertise.

While we have a tremendous amount of respect for the capital allocation skills of many of the large multi-strategy managers who are migrating cash into private and illiquid strategies, we believe that their decision to pursue these strategies has more to do with the degradation of returns in traditional, marketable businesses than with the attractiveness of the non-marketable opportunity set. We remain circumspect about the ability of hedge fund managers to successfully compete with traditional private equity sponsors, and question their ability to create value through operational enhancements (rather than financial engineering) across the economic cycle.

Worst-Case Scenario

We are often asked to predict when the next capital market dislocation will erupt. While we recognize the folly of attempting to make such a forecast, we are willing to provide our best guess about *where* the “black swan” will come home to roost. From our vantage point, the asset securitization market is the most likely candidate to be the epicenter of the next global financial crisis.

While we do not ascribe an extremely high probability to the following chain of events, we can envisage a scenario in which turmoil in the asset securitization market—precipitated by a rash of defaults, or rating agency downgrades, or both—leads to a dramatic widening of corporate credit spreads. (We believe that explosive growth in the asset securitization market has kept corporate credit spreads artificially tight in recent years by creating an unsustainable demand for bonds and loans. If the asset securitization market were to seize up, this demand would disappear.)

A dramatic widening of corporate credit spreads would make leveraged buyouts (LBOs) extremely difficult to finance, especially at current leverage multiples, leading to a deceleration of merger and acquisition (M&A) activity. The removal of the private equity floor that has been supporting public equity valuations could lead to a sharp sell-off in equity markets, which would lead to a flight from risk and an evaporation of liquidity. Prime brokers would likely respond to an evaporation of liquidity by reining in their lending standards, thereby forcing marketable alternative managers to de-leverage their balance sheets. This de-leveraging would lead to further pressure on asset prices.

Evaluation Framework

The first step in evaluating the attractiveness of marketable alternative strategies is to develop a forecast of ROA in each strategy. The ROA can be defined as the unleveraged return from each strategy, and can alternately be thought of as a baseline return or strategy beta.

We believe that the ROA in each marketable alternative strategy is dependent on both strategy-specific return drivers *and* the competitive landscape. Strategy-specific return drivers determine whether

opportunity sets are expanding or contracting (and create opportunities to generate incremental gains), while the competitive landscape determines the extent of pricing inefficiencies within each opportunity set and the speed at which those inefficiencies are identified and eliminated.

Recognizing that forecasting ROA for marketable alternative strategies is an inherently imprecise exercise—especially given the volatility of strategy-specific return drivers and incredible dynamism with which managers rotate capital among strategies to exploit investment opportunities—we prefer to use a range of possible outcomes as the starting point for our forecasts.

The range is set by the competitive landscape within each industry, while our forecast within that range is set by our current evaluation of strategy-specific return drivers. In other words, as competition within a strategy intensifies, the entire range of expected ROA shifts lower. However, if return drivers within a strategy are trending positively and provide a substantial tailwind to managers, we expect that the ROA of that strategy will register at the high end of our expected range.

For example, in our 2004 *Merger Arbitrage* report we argued that the skill set needed to evaluate and implement classic spread arbitrage had become increasingly commoditized, leading to a permanent erosion of annualized deal spreads. We noted however, that merger arbitrageurs should be able to generate meaningfully higher returns if corporate activity accelerated, albeit lower returns than they had generated during similarly robust periods in the past.

During the past year, this view has been substantiated. Return drivers in the strategy have aligned perfectly—allowing arbitrageurs to generate meaningful gains for the first time in years—but deal spreads remain surprisingly narrow. Using our strategy evaluation framework, the ROA for merger arbitrage is currently at the high end of its expected range, but the range has continued to shift downward over time.

We believe that sustained capital flows into the hedge fund industry, a marked increase in proprietary trading on Wall Street, and significant advances in computing power have greatly intensified competition and led to a gradual degradation of ROA in most marketable alternative strategies.

Proxies for Strategy Betas

As one attempts to conceptualize strategy betas, it is instructive to consider a few proxies that are commonly used by market participants. The average annualized deal spreads on all outstanding corporate acquisitions is used as a proxy for the ROA in merger arbitrage; the return on a portfolio of all outstanding convertible bonds coupled with delta neutral hedges is used as a proxy for the ROA in convertible arbitrage; and the return on the Altman-NYU Salomon Center Defaulted Public Bonds and Bank Loan Index is used as a proxy for the ROA in distressed securities.

While none of these proxies are perfect—for example, the Altman Index does not incorporate returns from post-reorganization equities, which, as we shall see later in this report, contributed meaningfully to the performance of distressed security managers in 2006—they do represent reasonable approximations of

unleveraged returns from marketable alternative strategies. It is interesting to note that hedge fund replication firms are springing up to try and provide low-cost access to strategy betas.

Cost Pressures

It is critical to note that our framework does not incorporate a third factor that impacts the ROA received by investors (net ROA), namely the cost associated with accessing the ROA in each strategy. As we have mentioned in previous reports, the cost associated with establishing exposure to alternative strategy betas through active managers has risen dramatically over time. While it has long been our view that hedge fund fees should be highly correlated with expected returns, the two have decoupled. With institutional demand for hedge funds continuing to accelerate, managers enjoy a tremendous amount of pricing power and have been exercising that power liberally.

During the past five years, standard hedge fund fees have escalated from 1% of assets plus 20% of net profits to 2% of assets plus 20% of net profits, with many experienced managers levying even steeper fees. Recognizing that they now have an enormous amount of leverage over investors, established managers have also been amending the liquidity terms in their partnership agreements by imposing longer lock-up provisions on new investors and by introducing gating provisions that limit the amount of money that investors can redeem over discrete periods of time. As a result, investors are being asked to pay higher fees for lower prospective returns.

ROA Versus ROE

It is also critical to note that our strategy evaluation framework explicitly does not consider the impact of leverage on hedge fund returns—as expressed in the ROE from marketable alternative strategies—because the use of leverage can distort weakness in strategy fundamentals and because leverage ratios tend to vary widely among managers and across strategies.

The distinction between ROA and ROE is becoming increasingly important as leverage in the hedge fund industry continues to rise. While many investors are cognizant of balance sheet leverage in their hedge fund programs (i.e., margin leverage), few are aware of the extent to which managers are using off-balance sheet leverage to amplify returns.

Off-balance sheet leverage has many guises, but is generally established through equity derivatives, swaps, and asset securitizations. While managers can communicate the use of derivative-based leverage to investors in a fairly straightforward manner (by delta-adjusting exposures), they tend to do a poor job of communicating swap- and securitization-based leverage. For example, a manager who has written credit default protection on a reference entity in exchange for premium income has an enormous amount of exposure to that reference entity, but that exposure does not appear on their balance sheet. (The premium

income will be reflected on their income statement, but the nominal exposure to the reference entity is not captured in the data.)

A core tenet of our approach to strategy allocation has always been to evaluate the ROA in various hedge fund strategies without any consideration for the “leverage-ability” of those strategies. For example, we have historically avoided strategies (such as global fixed income arbitrage) where managers are forced to gear a low ROA into a high ROE in order to satisfy investor expectations. Similarly, a core tenet of our approach to manager evaluation has always been to focus on the quality of earnings generated by managers, which includes a careful analysis of the leverage used to generate returns. (When reviewing the performance tables at the back of this research report, readers should note that meaningful differences in leverage ratios mitigate the usefulness of return-based comparisons, even between managers pursuing similar strategies.)

Strategy Reviews

Now that we have presented our framework for evaluating marketable alternative strategies, we review the recent performance of five core strategies, discuss the primary return drivers within those strategies, and provide some guidance about the attractiveness of each strategy heading into the second half of 2007.

Long/Short Equity

While equity prices are the primary driver of returns from long/short equity investing (given the net long bias of most investment partnerships), equity volatility and equity correlation are also critically important. In this section, we will discuss each of these return drivers and consider how they are likely to impact returns from long/short equity investing in the coming year. We will also discuss the extremely challenging environment for security-specific short selling and provide our view on the use of exchange-traded funds (ETFs) and other index-related instruments in fundamental long/short equity portfolios.

Equity Prices. The broad-based rally in global equity prices that began in the middle of 2006 accelerated during the fourth quarter, with all major market indices advancing in tandem. For the full year ended December 31, 2006, the S&P 500 Index returned 15.80%, the Topix 500 Index returned 4.96%, the MSCI Europe Index returned 33.72%, and the MSCI Emerging Markets Index returned 32.59%.

For the third consecutive year—and sixth year in the past seven—value investing outperformed growth investing among small caps in the United States, as the Russell 2000® Value Index returned 23.48% compared with a return of 13.35% for the Russell 2000® Growth Index. Two commonly referenced sub-strategy indices—the HFRI Equity Hedge Index and the Credit Suisse/Tremont Long/Short Equity Index—finished the year with gains of 11.71% and 14.38%, respectively.

Global equity markets continued to advance during the first quarter of 2007, with the S&P 500 Index returning 0.64%, the Topix 500 Index returning 2.42%, the MSCI Europe Index returning 3.86%, and the

MSCI Emerging Markets Index returning 2.35%. Although the performance of the S&P 500 Index lagged that of other broad equity market indices, small- and middle-capitalization equities in the United States performed well, with the S&P 600 SmallCap Index returning 3.21% and S&P 400 MidCap Index returning 5.80%. These advances mask the extreme intra-quarter volatility in the closing days of February, as the MSCI All Country World Index fell 2.53%, the S&P 500 Index sank more than 3.46%, and the MSCI Emerging Markets Index dropped 3.07% on February 27, 2007, in response to a sharp (albeit brief) downdraft in Chinese equity prices. Long/short equity managers successfully navigated through this firestorm of volatility, with the Credit Suisse/Tremont Long/Short Equity Index and the HFRI Equity Hedge Index up 3.77% and 2.99%, respectively, through the end of the first quarter.

Equity Volatility. Declining equity volatility impairs long/short equity returns by reducing the number of market dislocations that give rise to mispriced securities and by limiting the opportunities for managers to profitably trade around core positions. During 2006, managers continued to lament the protracted moderation of U.S. equity volatility, as the Chicago Board Options Exchange Volatility Index (VIX) averaged 12.81%—oddly identical to its average in the previous year but significantly below its longer-term average of 20.70% (1995-2005).

This decline in equity volatility was interrupted twice in the past two years. First, when a series of hawkish statements by Federal Reserve Chairman Ben Bernanke spurred a panicked flight from risky assets in May 2006, causing equity volatility to spike to 23.81%. Second, in February 2007 when the aforementioned dislocation in Chinese equity prices (and concomitant sell-off in U.S. equities) caused volatility to spike to 19.63%. While equity volatility reverted to ten-year lows following the flare-up in 2006, it has traded in a slightly higher range (14% to 18%) since spiking in early March 2007. The recent rise in equity volatility has given long/short equity managers hope that a new baseline may have been established.

Equity Correlations. Several managers have observed that the correlation among U.S. equities has increased in recent years, with good and bad businesses being accorded similar valuation multiples. This compression of valuation multiples has dampened returns for hedged equity managers by reducing the payoff from proprietary fundamental research. Put another way, long/short equity managers who maintain sizable security-specific short books tend to perform well when investors are focused on the operating performance of individual companies—i.e., when there are lots of winners and losers within sectors—but struggle when macroeconomic factors or fund flows determine stock prices and correlations. We have started to see anecdotal evidence that valuations spreads are beginning to widen, and believe that a continuation of this trend will enhance returns from long/short equity investing.

Short Selling. While the protracted rally in global equity markets has fueled strong returns for our universe of long/short equity managers, many managers have become increasingly dispirited by mounting losses in their short portfolios. Some have responded by reining in their short exposure, while others have resorted to using equity derivatives, ETFs, and index futures to hedge their portfolios (rather than attempting to source security-specific short positions). As we believe that security-specific short selling remains a critical component of long/short equity investing, we thought it would be instructive to examine the manifold challenges confronting short sellers today.

When attempting to source short positions, long/short equity managers have historically gravitated toward companies with weak balance sheets, aggressive (or fraudulent) accounting practices, incompetent management teams, and unsustainable business models. To simplify our discussion, we shall refer to these categories as “balance sheet shorts,” “accounting shorts,” “management shorts,” and “business model shorts,” respectively.

Balance sheet shorts are difficult to identify today because financing markets have been extremely accommodative, allowing faltering companies to extend maturities and lower borrowing costs in order to forestall bankruptcy. (Several experienced short sellers assert that financing conditions are the primary driver of returns from short selling, and we are inclined to agree.) The ongoing re-leveraging of corporate America—punctuated by a glut of low-quality high-yield bond issuance and an acceleration of leveraged finance activity—should create significantly more opportunities to identify these types of short positions in the coming year.

Accounting shorts are difficult to identify today because hundreds of hedge fund managers employ forensic accountants who use powerful quantitative screens to ferret out accounting anomalies, and because corporate management teams have been forced to sign off on accounting statements under penalty of imprisonment as part of the Sarbanes-Oxley Act of 2002. Several managers have observed that accounting malfeasance continues to be surprisingly prevalent, but most acknowledge that intensifying competition in the hedge fund industry has made it increasingly difficult to profit from accounting-related short selling.

Management shorts may still be relatively easy to identify, but have been very difficult to exploit because of a recent trend toward successful corporate activism. In the past, corporate management teams exerted a tremendous amount of influence over their boards and could prevent activist investors from effecting meaningful changes. In the wake of corporate governance reforms in the United States, activist investors have been extraordinarily successful in demanding concessions from underperforming management teams (or replacing management teams who fail to acquiesce to their demands). The resultant wave of corporate restructurings in the United States and Europe has resulted in a tremendous amount of value creation, but has made management shorts particularly treacherous.

As a result of the difficulty identifying and exploiting balance sheet shorts, accounting shorts, and management shorts, many hedge fund managers have shifted their short portfolios into business model shorts. Business model shorts are short positions in companies that have flawed business models and deteriorating competitive positions, i.e., companies that are in the process of losing market share to competitors. (These types of short positions are sometimes referred to as “secular shorts,” “melting ice-cube shorts,” or “market share shorts.”) While business model shorts tend to lack proximate catalysts for value realization, many managers argue that they are safer than other types of short positions because they are less volatile and less likely to generate substantial losses.

Unfortunately, the rotation of capital into business model shorts has eroded this line of reasoning, as the fairly limited number of companies in the throes of secular stress has resulted in a stampede into a handful of short positions. This crowding has heightened the volatility of business model shorts by increasing

the frequency and magnitude of short squeezes. (Rumors are spreading that several large multi-strategy firms have set up dedicated “short busting” desks whose mandate is to wreak havoc in crowded short names by effecting squeezes.) In addition, crowding on the short side has increased borrowing costs in heavily shorted names, reducing expected returns.

While all of these factors have made short selling extremely difficult, they pale in comparison with the biggest problem confronting short sellers today: a protracted surge in M&A activity across the globe. Corporations and LBO firms are brimming with capital and have been executing transactions at lofty premiums to market value. As a few take-outs on the short side of one’s portfolio can have a devastating impact on performance, managers have become understandably reluctant to establish sizable positions in even their highest conviction shorts. Many managers have noted that mere speculation about impending take-outs has made short selling extremely dangerous, as event-driven hedge funds are engaging in anticipatory arbitrage and aggressively bidding up the prices of rumored acquisition targets.

Compounding the threat posed by this acceleration of M&A activity are two trends that have increased the subset of companies and industries deemed to be susceptible to corporate takeovers. First, the massive size of 2005-07 vintage LBO funds and the increasing willingness of top-tier buyout firms to partner with each other in “club deals” have made short selling middle- and large-capitalization companies much more treacherous than in previous years. Second, the willingness of buyout firms to purchase companies (e.g., Freescale Semiconductor) in industries with volatile cash flow profiles has made it difficult to establish large short positions in industries previously believed to be insulated from leveraged acquisitions.

Use of ETFs, Index Futures, and Put Overlays. As we mentioned earlier in this section, many long/short equity managers have resorted to using ETFs, index futures, and put overlays to hedge their portfolios rather than attempting to source security-specific short positions.

While event-driven equity managers (i.e., managers who invest in the common stock of companies whose valuations are being driven by hard catalysts such as mergers, spin-offs, recapitalizations, restructurings, and litigations rather than operating fundamentals) have always used these sorts of instruments to hedge residual exposure to equity prices, fundamental long/short equity managers are using these instruments with increasing frequency. While managers have provided varying rationales for their increased use of index-related instruments, most acknowledge that they have made this transition because the use of index-related instruments mitigates the risk of large losses stemming from corporate acquisitions.

While we are cognizant of the risks associated with security-specific short selling and believe the tactical use of index-related instruments may be appropriate in certain circumstances (e.g., when managers believe they have extremely strong pipelines of attractive long positions but want to reduce their exposure to the equity markets), we strongly encourage investors to partner with fundamental long/short equity managers who are committed to security-specific short selling. Like most other marketable alternative strategies, short selling is cyclical, and the days of cheap financing (and the leveraged finance activity fueled by cheap financing) will not last forever. We strongly believe that long/short equity managers who hew to security-specific short-selling disciplines will be amply rewarded for their patience when the credit cycle turns.

Merger Arbitrage

The HFRI Merger Arbitrage Index registered a 14.24% return in 2006, while the Credit Suisse/Tremont Risk Arbitrage Index posted a gain of 8.15%. These indices were up 3.33% and 2.66%, respectively, during the first quarter of 2007. The primary return drivers in merger arbitrage—global M&A activity, short-term interest rates, and cancellation rates—have aligned perfectly for arbitrageurs.

The total dollar volume of global M&As was \$2,374.6 billion in 2006, with \$1,273.6 billion of completed U.S. transactions and \$1,101.0 billion of completed non-U.S. transactions. This was the second highest level of global deal activity in history (\$3,225.4 billion in 2000), and represented a 136% increase in activity over the recent trough year of 2003. LBO represented a record 24.7% of U.S. deal activity, with \$314.8 billion of completed LBO transaction during the year. The high level of LBO activity explains the pronounced skew toward cash-financed transactions, which represented 59% of all deals. Global M&A activity has continued to accelerate in the first quarter of 2007, and is on pace to surpass 2006 levels.

Merger arbitrage has always been a spread over Treasuries business, as the return environment in the strategy is somewhat dependent on the absolute level of short-term interest rates. Rising interest rates improve returns by increasing the rebate that arbitrageurs receive when they short sell an acquirer's stock, and by setting a higher hurdle rate against which annualized deal spreads are benchmarked. During 2006, the Federal Open Market Committee raised short-term interest rates four times, concluding a campaign of 17 consecutive 0.25% rate increases that moved the Fed funds rate from 1.00% to 5.25%.

Cancellation rates depend on a number of factors, but are primarily driven by equity volatility and regulatory conditions. (Equity volatility can roil stock-for-stock deals before they are consummated by impairing the value of the acquirer's currency, while inimical regulators can reject deals outright or dramatically reduce rates of return by causing delays.) As we mentioned earlier, equity volatility remains near ten-year lows, while the regulatory backdrop in the United States and abroad has been remarkably favorable (save for heightened scrutiny of deals in the global utility sector). Accordingly, the deal cancellation rate in the United States registered a paltry 1.7% in 2006.

In the opening section of this report, we noted that the skill set needed to evaluate and implement classic spread arbitrage had become increasingly commoditized, leading to a permanent erosion of annualized deal spreads. Despite the explosion of global deal activity, rise in short-term interest rates, and benign regulatory backdrop, annualized spreads on clean deals with minimal regulatory risk and definitive merger agreements now range between 8% and 10%, up from levels of 4% to 6% a few years ago, but a far cry from 18% to 20% spreads observed back in the 1980s and 1990s.⁶ Spreads on recent LBO/management buyout transactions such as First Data, TXU, Sallie Mae, and Kinder Morgan (which depend on robust financing markets and often have financing contingencies) are modestly wider, at 12% to 14%.

⁶ By way of review, annualized spreads consist of four components: the dollar spread between the acquisition price and the market price of a target, the short rebate that a manager receives from its sale of an acquirer's stock, net dividends paid, and the duration of a transaction.

Despite this lackluster spread environment, many arbitrageurs and event-driven managers have been able to augment returns from spread arbitrage by investing in a number of competitive bidding situations around the globe (e.g., Endesa, Corus Group, Equity Office Properties, Arcelor, Guidant, Caremark, and REpower). Given the extremely low cancellation rates discussed earlier in this section, many arbitrageurs now assert that many merger-related trades now have asymmetric risk/return profiles. They argue that deals have limited downside risk because they are unlikely to be rejected or delayed by regulators, but significant upside potential because of the reasonably high probability of topping bids. Accordingly, arbitrageurs have been increasing directional exposure in these types of deals while decreasing exposure to classic spread arbitrage.

As we stated in the opening section of this report, we continue to believe that the ROA from spread arbitrage will remain near the high end of a dramatically reduced range of possible returns. In our estimation, the greatest risk to this forecast is a dislocation in the financing markets, as such a dislocation would make it difficult to finance leveraged acquisitions (particularly the massive LBOs we have witnessed during the past 12 months) and dramatically reduce the number of competitive-bid situations.

We also observe that arbitrageurs who have invested in building overseas capabilities are now in a much better position than competitors who focus exclusively on the U.S. deal market, as annualized spreads in Europe and Asia remain meaningfully wider than spreads in the United States. Managers attribute wider spreads in these markets to a lack of competition from regional firms and to statutory issues and shareholder constraints that lead to noneconomic selling pressure after deals have been announced.

Distressed Securities

At the end of last year, we expressed our view that distressed security managers would be hard pressed to generate double-digit returns in 2006. This view was predicated on a number of factors, including a rapidly contracting opportunity set (i.e., a dearth of sizable public bankruptcies), historically tight high-yield credit spreads, and unattractive bank debt and bond valuations.

We also issued a warning about the potential for marked-to-market losses in the strategy, as we feared that a dislocation in the global credit markets might spur a flight from risky assets and lead to an evaporation of liquidity in the high-yield bond market. Put another way, we believed that the ROA from distressed securities investing would be in the lower end of our longer-term range.

Returns in the strategy were much stronger than we anticipated, punctuating the difficulty of making near-term strategy forecasts. The HFRI Distressed Securities Index registered a 15.95% return in 2006, while the Credit Suisse/Tremont Distressed Securities Index gained 15.58%. These indices were up 3.77% and 4.25%, respectively, during the first quarter of 2007. Another widely used strategy benchmark, the Altman-NYU Salomon Center Defaulted Public Bonds and Bank Loan Index, was up 23.38% in 2006 and 3.50% in the first quarter of 2007.

The unexpectedly strong performance of distressed security strategies in 2006 (and the first quarter of 2007) was fueled by a number of positive trends:

- Exponential growth in the structured credit markets created a powerful technical bid for bank loans and bonds, as collateralized debt obligations (CDOs) acquired debt at a torrid pace to serve as the raw material for asset securitizations. According to *Asset-Backed Alert*, CDO issuance totaled \$445 billion in 2006, up from \$241 billion in 2005. The number of deals surged a staggering 62.7%, from 593 in 2005 to 965 in 2006.⁷
- High-yield credit spreads continued to grind tighter, as investors reached for yield in all corners of the global capital markets. As discussed below, spreads are now significantly narrower than their historical averages.
- Small-capitalization equities rallied sharply, providing a tailwind to distressed debt managers who rotated capital into post-reorganization equities. The Jefferies Re-Org IndexSM, which tracks the performance of a representative sample of post-reorganization equities for two years after they emerge from bankruptcy, was up 34.88% in 2006.
- Mature debt positions performed much better than we expected, with positions in the airline and power production industries performing extraordinarily well due to a marked improvement in operating fundamentals. One very widely held position—the Enron Liquidating Trust—generated substantial profits for many managers.

Despite the strong recent performance of distressed security strategies, we remain concerned about the fundamental backdrop in the strategy. The corporate default rate's 12-month moving average was 0.76% at the end of 2006, its lowest level since the second quarter of 1994. The quarterly default rate declined to 0.08% in the first quarter of 2007 on a mere \$839 million in defaults (the third-lowest rate since the Altman-NYU Salomon Center began compiling default statistics in 1990), while the 12-month S&P/LSTA dollar-denominated default rate on leveraged loans fell to 0.23%.⁸ The dearth of public bankruptcies has led to a continued contraction of the opportunity set in the strategy, and has fueled a dramatic surge in distressed debt valuations.

This surge in distressed debt valuations is encapsulated by three metrics: (1) high-yield credit spreads, (2) the distressed ratio,⁹ and (3) the market value to face value ratio of the universe of distressed and defaulted bonds.

⁷ *Asset-Backed Alert*, "CDO Issuance, by Primary Collateral Type," <http://www.abalert.com>.

⁸ Edward I. Altman, "Default and Returns in the High Yield Bond Market: First Quarter 2007 Review and Outlook," Altman-NYU Salomon Center.

⁹ The distressed ratio is commonly defined as the percentage of high-yield bonds yielding more than 1,000 basis points over the risk-free rate.

High-yield credit spreads (based on yield-to-maturity over ten-year Treasury bonds) stood at 3.11% at the end of 2006, 1.69 percentage points below the historical average and significantly below levels reached during peaks of previous credit cycles (10.50 percentage points in 1990, 8.56 percentage points in 2002). The distressed ratio declined to 1.2% in the first quarter of 2007, the lowest level since the Altman-NYU Salomon Center began compiling default statistics in 1990. Perhaps most ominously, the market value to face value ratio of the universe of distressed and defaulted bonds registered a record high 85% at the end of 2006.¹⁰

Distressed security managers are clearly concerned about the possibility of a crisis in the distressed debt market and have responded to the escalation in distressed debt valuations by raising cash, rotating capital into bank debt (which is senior, secured, floating rate, and viewed as a proxy for cash), increasing their allocations to restructured equities, and sitting in mature positions they would likely have harvested if the opportunity set in the strategy was more attractive.

Many have also tried to hedge against a crisis by buying cheap portfolio insurance, either by shorting cash bonds, purchasing credit default swaps (CDS) on specific issuers, or buying credit protection on baskets of high-yield bonds through the Dow Jones series of CDX indices. In recent months, managers have also been shorting lower-rated tranches of the ABX—a synthetic ABS index of U.S. home equity asset-backed securities—in order to hedge against a meltdown in the sub-prime mortgage market.

While distressed debt managers remain excited about the advent of the next default cycle—owing to a spate of extremely low-quality debt issuance in the United States, a rapid acceleration in leveraged finance activity, and strong indications that the second-lien loan market is starting to overheat—it remains extremely difficult to forecast when the credit cycle will turn. As long as faltering companies can cheaply refinance their way out of trouble, distressed debt managers will scramble to remain fully invested.

Despite the strong performance of distressed securities in 2006, we continue to believe that the ROA in the strategy will be at the low end of its long-term range, and are concerned about the potential for severe marked-to-market losses in the event of a credit dislocation. We also note that a mountain of capital is being raised in advance of the next default cycle (both in hedge fund vehicles and lock-up vehicles), which means that returns during the next cycle could be meaningfully lower than returns during the previous cycle.

Convertible Arbitrage

The HFRI Convertible Arbitrage Index registered a 12.17% return in 2006, while the Credit Suisse/Tremont Convertible Arbitrage Index gained 14.30%. These indices were up 2.89% and 3.06%, respectively, during the first quarter of 2007. To put this performance into context, the Merrill Lynch Global 300 Convertible Bond Index (a market capitalization-weighted index of global convertible bonds) gained 12.8% in 2006 and 2.8% during the first quarter of 2007 on a currency-adjusted basis.

¹⁰ Edward I. Altman, “Default and Returns in the High Yield Bond Market: First Quarter 2007 Review and Outlook,” Altman-NYU Salomon Center.

After struggling to generate gains for more than two years—and suffering through an extremely harrowing period in May of 2005 when capital redemptions created massive amounts of forced selling—convertible arbitrageurs rebounded in 2006. Arbitrageurs suggest the rebound was inevitable given the stagnation of returns during the previous two years, and assert the shuttering of several large convertible boutiques (and rotation of capital into other marketable alternative strategies by multi-strategy hedge funds) has dramatically improved the supply/demand dynamic in the strategy.

Multi-strategy managers with allocations to convertible arbitrage are notably less sanguine about the outlook for the strategy. Most argue the rebound was very low quality because it was not accompanied by an expansion of the convertible opportunity set or sustained pick-up in global equity volatility. Rather, multi-strategy managers feel that the rebound resulted from renewed interest in convertible bonds by long-only investors (due to a strong rally in global equity markets) coupled with a *decline* in the size of the convertible universe. Accordingly, multi-strategy managers have continued to underweight convertible arbitrage in their investment partnerships.

We observe that the recent performance of dedicated arbitrageurs was meaningfully distorted by two trends. First, many convertible arbitrageurs diversified into ancillary strategies like distressed securities and capital structure arbitrage in order to enhance their ability to weather the downturn in strategy fundamentals. While we believe that this was a prudent decision—especially for firms with demonstrable credit expertise—we do note that the migration of capital into other credit-related strategies has made it challenging to pinpoint the ROA in conventional convertible arbitrage.

Second, as pricing efficiency in the convertible bond market has increased in recent years due to a commoditization of the skill sets needed to execute the strategy and marked improvements in computing power, many arbitrageurs have shifted their focus from traditional volatility and credit-oriented positions to event-driven positions. These are situations where managers make directional bets on increases in issuer-specific volatility associated with discrete events such as mergers or corporate restructurings (e.g., buying the convertible bonds of potential LBO candidates when the change-of-control provisions attached to those bonds are widely misunderstood and undervalued), and are more akin to volatility trading than conventional convertible arbitrage.

The primary return drivers for convertible arbitrage are equity volatility, credit spreads, interest rates, convertible issuance, and convertible valuations. Since we discuss equity volatility, credit spreads, and interest rates above, we will focus our review on convertible issuance and convertible valuations.

While all four major developed markets geographies (United States, Europe, Japan, and Asia ex Japan) saw modest increases in convertible issuance during 2006—with U.S. convertible bonds dominating the new issue calendar with \$70.7 billion of issuance—the size of the global convertible bond universe contracted for the third consecutive year. Global convertible bond issuance of \$109.6 billion was more than

offset by \$158.9 billion in retirements, with Asia ex Japan the only region that did not experience net retirements.¹¹

The trend toward net retirements continued in the first quarter of 2007, with global issuance tallying \$39.3 billion (up from \$23.0 billion in the first quarter of 2006) versus global retirements of \$42.8 billion. While some managers believe that the recent acceleration of new issuance was ignited by the flare-up in equity volatility at end of February, others have suggested that the pick-up was related to a proposed accounting change under review at the Financial Accounting Standards Board (FASB).

Managers continue to fixate on net retirements and do not believe returns from convertible arbitrage will remain strong unless the recent acceleration of issuance is sustained, as new issues are the lifeblood of the strategy. They attribute the stagnation of convertible issuance in recent years to two factors: (1) the moderation of equity volatility, as corporate management teams are inclined to issue convertible debt rather than straight debt when implied equity volatilities are very high (so they can monetize that volatility) and (2) an ebullient high-yield market, as issuers who once would have been forced to issue convertible debt have enjoyed the luxury of obtaining financing in the high-yield and second-lien loan markets on extremely attractive terms.

Most convertible bonds continue to trade dear to their theoretical values, with implied volatilities that do not seem justified given realized levels of equity volatility. U.S. convertible bonds richened meaningfully during 2006, and were trading at a 0.66% premium to theoretical value at the end of the first quarter of 2007.¹² Most arbitrageurs consent that the long-dated part of the volatility curve (where convertible bonds reside) is very expensive today, creating a headwind for the strategy in 2007.

Capital Structure Arbitrage

Capital structure arbitrageurs are best positioned to generate outsized returns in environments where, (1) corporate capital structures are extraordinarily complex, resulting in a raft of securities to research, analyze, and trade; (2) equity and credit market volatility forces the prices of related securities to gyrate wildly, creating exploitable dislocations; and (3) credit distress is accelerating, resulting in a divergence of opinion about the probability of corporate defaults and associated recovery rates.

Additionally, capital structure arbitrageurs tend to perform well when corporate management teams are actively re-engineering their capital structures, as restructurings and recapitalizations generally have a meaningful impact on the relative attractiveness of different classes of securities.

While a tremendous surge in worldwide restructuring and leveraged finance activity led to a modest improvement in the backdrop for the strategy, most capital structure arbitrageurs struggled to generate double-digit returns due to the lack of capital market volatility and distress. As noted above, U.S. equity

¹¹ *Fourth Quarter 2006 Review*, Merrill Lynch Global Convertibles.

¹² *First Quarter 2007 Review*, Merrill Lynch Global Convertibles.

volatility averaged 12.81% in 2006, significantly below its longer-term average of 20.70% (1995-2005).¹³ U.S. fixed income volatility averaged 64.66% in 2006, significantly below its longer-term average of 102.48% (1995-2005).¹⁴ The corporate default rate's 12-month moving average registered 0.76% at the end of 2006, its lowest level since the second quarter of 1994.

In an environment where capital market volatility has continued to moderate and the corporate default rate is approaching record lows, capital structure arbitrageurs have been establishing positions that will benefit from market turmoil. Three popular trades today are synthetic put trades, re-leveraging trades, and negative basis trades.

Many arbitrageurs have positioned their portfolios conservatively by buying bank debt or senior secured debt and shorting subordinated debt against those positions. These trades represent synthetic put options on corporate capital structures, as arbitrageurs stand to profit if the prices of secured and unsecured issues (which are trading in line with one another despite differences in collateralization and seniority) diverge due to issuer-specific credit events or a systemic widening of credit spreads.

Others have inverted the classic capital structure arbitrage trade by buying equity and shorting debt within capital structures, citing an acceleration of corporate activity—such as share repurchases and special dividends—that tend to be beneficial to shareholders and harmful to debt holders. These trades allow arbitrageurs to speculate on LBO activity on a hedged basis, as equity prices and debt prices diverge meaningfully in conjunction with leveraged acquisitions.

Many claim that the parabolic growth of the synthetic CDO market has created distortions in the pricing of CDS, creating an opportunity for traders to arbitrage cash bonds against CDS. With the “negative basis” or pricing differential between cash bonds and CDS at record wide levels, arbitrageurs can earn a performance spread by purchasing cash bonds and buying CDS with similar maturities.

Like many of the marketable alternative strategies we have discussed in this report, capital structure arbitrage has become increasingly competitive in recent years. Several multi-strategy managers have complained that dedicated capital structure arbitrageurs—who spend all of their time hunting for dislocations within corporate capital structures—have eliminated many of the pricing inefficiencies that once made the strategy compelling. Others have noted that proprietary traders on Wall Street (who work for the biggest broker/deals in the world) enjoy structural advantages that allow them to exploit intra-capital pricing inefficiencies extremely cheaply and efficiently.

Many multi-strategy managers have been unable to scale their allocations to the strategy because they are too big to establish meaningful positions within the capital structures of small- and middle-capitalization companies, but most maintain some exposure to the strategy. We continue to believe that capital structure arbitrageurs with manageable capital bases can play an important role in diversified

¹³ VIX. Source: Bloomberg.

¹⁴ Merrill Lynch Option Volatility Estimate Index. Source: Bloomberg.

marketable alternative programs, especially since capital structure arbitrage is one of the only strategies that fares well during periods of capital markets volatility and distress.

Program Construction

How should investors respond to the degradation of ROA in core marketable alternative strategies, the increase in correlations among those strategies, and the escalation of systemic leverage?

With respect to strategy allocations, our advice is basically unchanged from last year. We recommend that investors increase their allocations to multi-strategy managers and fundamental long/short equity managers while allocating incremental capital to niche managers. (Given our view the asset securitization market will be the epicenter of the next dislocation, we strongly recommend allocations to niche managers with short credit mandates.) Tactical allocations to single-strategy managers make sense only if organizations possess differentiated expertise, have global investment platforms, and enjoy the tailwind of positively trending return drivers.

As we discussed last year, intensifying competition in the hedge fund industry coupled with increasingly restrictive liquidity provisions favors multi-strategy managers over single-strategy managers, as flexibility and adaptivity become critically important in a world where investment opportunities are fleeting.

Multi-strategy managers can rotate capital among strategies on a real time basis in the pursuit of attractive investment opportunities, putting them in a better position to capitalize on rolling dislocations in the capital markets. By employing a multi-disciplinary approach, these managers benefit from the cross-fertilization of investment ideas among strategy teams and do not feel pressured to maintain meaningful exposure to strategies with unattractive opportunity sets.

We recommend increasing exposure to multi-strategy managers with two caveats. First, investors should favor multi-strategy managers who have heavily invested in building out their global investment platforms, either by developing talent internally or by acquiring it in the marketplace. Multi-strategy organizations are the conglomerates of the hedge fund industry and are just as prone to “di-worse-ification” as their brethren in corporate America. When evaluating these organizations, investors should interview as many analysts and strategy heads as possible to insure that managers possess differentiated expertise in all core marketable alternative strategies.

Second, investors need to be cognizant about the tendency of multi-strategy managers to flock to the same strategies at the same time. This problem was particularly evident in the third and fourth quarters of 2002, when many multi-strategy managers rotated 70% to 90% of their capital into distressed securities to capitalize on the Enron/WorldCom/Adelphia-induced corporate credit dislocation. While this decision was handsomely rewarded, many marketable alternative programs with heavy multi-strategy allocations ended up with extreme exposure to a single, directional strategy.

We continue to believe that top-tier fundamental long/short equity managers can also create a tremendous amount of value for investors, especially since their opportunity set is much larger than the opportunity sets of other marketable alternative managers. We seek to partner with managers who have deep research teams, repeatable investment processes, and long-term horizons that allow them to capitalize on the short-term focus so rampant in the investment management industry today. We also prefer managers who have hewn to security-specific short-selling disciplines, as we believe that returns from short selling will improve when the credit cycle turns.

Conclusion

While we have spent the better part of this report presenting a basic framework for making strategy allocation decisions, discussing the key return drivers in core marketable alternative strategies, and sharing our current views on the investment backdrops in those strategies, we continue to believe that success in this area is primarily dependent on the ability to identify marketable alternative managers who are consistently able to beat the baseline ROA in each strategy. This is an exhaustive task given the size and complexity of the hedge fund industry, and requires extensive human resources, global research capabilities, and a systematic approach to evaluating and monitoring managers.

EXHIBITS

Long/Short Equities

Exhibit 1

REPRESENTATIVE HEDGE FUND MANAGERS - U.S. LONG/SHORT GROWTH

Annual Returns (%)

<u>U.S. Equity Long/Short Growth Funds</u>	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Adair Capital LLC - Adair Next Generation Fund, Ltd.	---	---	---	---	---	---	10.2	4.5	6.6	7.2
AIS Capital Mgmt - AIS Capital Growth Fund, L.P.	---	5.1	66.2	-17.1	3.7	-10.9	29.1	8.9	18.1	10.1
Ardley Partners - Ardsley Partners Fund II, L.P.	---	---	---	---	---	---	---	---	---	9.0
Arience Associates, LLC - Arience Capital Partners I, L.P.	---	---	---	---	---	---	---	16.4	2.8	17.1
Artemis Advisors - Artemis Partners, L.P.	---	---	20.8	29.6	2.1	-6.7	11.7	5.9	4.3	2.1
Ascend Capital - Ascend Partners Fund I, Ltd.	---	---	---	---	13.6	2.5	10.4	4.7	6.4	9.6
Ascend Capital - Ascend Partners Fund II, Ltd.	---	---	---	---	---	---	---	---	9.8	12.9
Baron Capital Mgmt - Baron Investment Partners, L.P. (n)	37.6	35.3	19.0	-7.0	-25.4	-9.5	33.2	41.8	3.5	21.8
Bennett Lawrence Mgmt - Emerging Growth Fund, L.P.	---	---	---	---	---	-6.1	37.3	27.4	7.6	-0.8
Bennett Lawrence Mgmt - Bennett/Lawrence Partners, L.P.	9.7	31.2	96.5	-14.8	-26.2	-20.4	28.2	14.5	3.9	-3.5
Broadmark Asset Mgmt - Broadmark Long/Short Equity, L.P.	---	---	---	---	---	6.3	14.4	5.5	1.3	5.2
Broadmark Asset Mgmt - Broadmark Opportunity Fund, L.P.	---	---	---	6.9	-19.1	8.0	30.0	0.6	14.9	15.3
Candela Capital LLC - Candella Capital, L.P.	---	---	---	---	22.3	-7.5	17.9	16.0	15.0	6.6
CastleRock Management, LLC - CastleRock Partners, L.P.	1.3	57.6	67.3	27.2	-3.8	-33.0	52.0	20.8	22.5	7.4
Chilton Investment Co. - Chilton Investment Partners, L.P.	19.4	36.4	52.9	-0.4	2.7	-10.8	16.9	9.3	14.7	1.3
Chilton Investment Co. - Chilton Small Cap Partners, L.P.	---	---	---	---	---	3.1	22.2	10.6	14.5	11.3
Dawson-Herman Capital Management - Group Trust (n)	30.9	5.1	42.7	15.7	-14.8	-15.4	18.4	7.3	14.9	14.6
DG Capital Management, Inc. - Woodrow Partners Limited	27.8	37.2	77.4	12.8	-5.3	-11.0	13.0	12.0	5.2	3.7
EGM Capital - EEGO, L.P.	33.1	0.3	48.8	36.0	-18.5	-21.2	8.8	3.1	10.3	17.3
EGM Capital - LASER Fund, L.P.	25.1	9.3	46.1	28.0	-0.3	-7.8	12.8	0.6	-2.2	8.1
EGM Capital - Long/Short (n)	36.5	18.0	66.0	38.6	0.9	-7.5	12.5	0.2	-2.0	7.6
EnTrust Capital Inc. - EnTrust Capital Partners L.P.	27.2	11.6	51.6	30.1	-0.3	-8.9	9.6	-0.8	-3.1	5.5
Feirstein Capital Management - Feirstein Partners, L.P.	23.1	-0.8	31.2	21.5	13.9	5.6	15.0	6.7	2.2	6.2
Goodnow Investment Group, LLC - Old Kings Capital, L.P.	25.4	57.0	53.1	-6.5	-25.4	-12.4	105.3	0.9	-9.5	17.2
Goodnow Investment Group, LLC - Thresher Partners, L.P.	---	---	---	---	---	3.6	22.4	7.8	3.1	15.0
Hintz, Holman & Robillard - Novem Partnership	23.9	24.5	22.7	-15.0	-0.7	-2.4	15.3	15.2	25.3	3.5
Integrity Capital Mgmt GP, LLC - Integrity Boston Fund, L.P.	22.8	31.2	33.8	-10.2	-1.0	-5.0	21.4	14.3	25.1	4.2
LAR Management, Inc. - Rader Fund, L.P.	---	---	---	---	---	---	---	5.2	5.3	16.2
Lee Munder Capital Group - Investment Partners I, L.P.	26.4	9.4	-7.3	19.2	19.3	1.7	22.8	15.8	7.5	8.4
P.A.W. Capital Partners, L.P. - P.A.W. Partners, L.P.	---	---	---	---	40.9	-8.5	23.7	1.9	11.3	21.3
Pequot Capital Mgmt, Inc. - Pequot Endowment Fund, L.P.	19.2	8.9	49.6	13.0	5.7	-10.2	12.1	0.3	6.9	11.0
Pequot Capital Mgmt, Inc. - Pequot Navigator Offshore Fund	26.5	40.3	46.9	19.8	-3.3	-8.0	8.0	8.1	8.8	9.4
Maximum	98.1	57.6	98.9	108.0	44.1	14.5	105.3	44.4	25.9	21.8
Median	24.7	16.9	49.2	15.8	-0.3	-7.5	16.3	8.9	9.3	10.6
Minimum	-9.2	-0.8	-7.3	-17.1	-27.6	-47.7	2.9	-0.8	-17.0	-22.3
Number of Funds	26	29	32	35	39	44	46	49	52	54
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 1 (continued)

REPRESENTATIVE HEDGE FUND MANAGERS - U.S. LONG/SHORT GROWTH

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

U.S. Equity Long/Short Growth Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Adair Capital LLC - Adair Next Generation Fund, Ltd.	---	---	---	---	---	---	7.1	6.1	6.9	7.2
AIS Capital Mgmt - AIS Capital Growth Fund, L.P.	---	10.4	11.1	4.9	8.9	10.2	16.2	12.3	14.0	10.1
Ardley Partners - Ardsley Partners Fund II, L.P.	---	---	---	---	---	---	---	---	---	9.0
Arience Associates, LLC - Arience Capital Partners I, L.P.	---	---	---	---	---	---	---	11.9	9.7	17.1
Artemis Advisors - Artemis Partners, L.P.	---	---	8.2	6.5	3.3	3.3	5.9	4.1	3.2	2.1
Ascend Capital - Ascend Partners Fund I, Ltd.	---	---	---	---	7.4	6.6	7.7	6.8	8.0	9.6
Ascend Capital - Ascend Partners Fund II, Ltd.	---	---	---	---	---	---	---	---	11.3	12.9
Baron Capital Mgmt - Baron Investment Partners, L.P. (n)	12.7	10.3	7.5	5.9	5.7	16.6	24.2	21.4	12.3	21.8
Bennett Lawrence Mgmt - Emerging Growth Fund, L.P.	---	---	---	---	---	11.9	16.9	10.8	3.3	-0.8
Bennett Lawrence Mgmt - Bennett/Lawrence Partners, L.P.	7.6	7.4	4.7	-4.3	-2.2	3.2	10.1	4.7	0.1	-3.5
Broadmark Asset Mgmt - Broadmark Long/Short Equity, L.P.	---	---	---	---	---	6.5	6.5	4.0	3.2	5.2
Broadmark Asset Mgmt - Broadmark Opportunity Fund, L.P.	---	---	---	7.1	5.6	13.3	14.7	10.0	15.1	15.3
Candela Capital LLC - Candella Capital, L.P.	---	---	---	---	12.2	9.2	13.8	12.5	10.7	6.6
CastleRock Management, LLC - CastleRock Partners, L.P.	18.1	20.1	16.1	10.2	7.7	10.1	24.7	16.7	14.7	7.4
Chilton Investment Co. - Chilton Investment Partners, L.P.	12.9	12.2	9.5	4.4	6.1	5.8	10.4	8.3	7.8	1.3
Chilton Investment Co. - Chilton Small Cap Partners, L.P.	---	---	---	---	---	12.2	14.5	12.1	12.9	11.3
Dawson-Herman Capital Management - Group Trust (n)	10.6	8.6	9.0	4.9	1.0	7.2	13.7	12.2	14.7	14.6
DG Capital Management, Inc. - Woodrow Partners Limited	15.1	13.8	11.1	4.0	2.6	4.2	8.4	6.9	4.5	3.7
EGM Capital - EEGO, L.P.	9.7	7.3	8.2	3.4	-4.5	2.7	9.7	10.1	13.7	17.3
EGM Capital - LASER Fund, L.P.	10.9	9.4	9.5	5.0	0.4	2.0	4.6	2.1	2.8	8.1
EGM Capital - Long/Short (n)	15.2	13.0	12.4	6.4	0.6	1.9	4.4	1.9	2.7	7.6
EnTrust Capital Inc. - EnTrust Capital Partners L.P.	10.9	9.3	9.0	4.0	-0.9	0.2	2.7	0.4	1.1	5.5
Feirstein Capital Management - Feirstein Partners, L.P.	12.0	10.9	12.4	10.0	8.6	7.1	7.4	5.0	4.2	6.2
Goodnow Investment Group, LLC - Old Kings Capital, L.P.	15.0	13.9	9.4	4.3	4.1	14.0	21.7	2.3	3.0	17.2
Goodnow Investment Group, LLC - Thresher Partners, L.P.	---	---	---	---	---	10.1	11.8	8.5	8.9	15.0
Hintz, Holman & Robillard - Novem Partnership	10.4	9.0	7.2	5.1	10.0	11.0	14.6	14.3	13.9	3.5
Integrity Capital Mgmt GP, LLC - Integrity Boston Fund, L.P.	12.7	11.6	9.3	6.2	10.3	11.4	16.0	14.2	14.2	4.2
LAR Management, Inc. - Rader Fund, L.P.	---	---	---	---	---	---	---	8.8	10.6	16.2
Lee Munder Capital Group - Investment Partners I, L.P.	11.9	10.4	10.5	13.3	13.1	11.0	13.5	10.5	8.0	8.4
P.A.W. Capital Partners, L.P. - P.A.W. Partners, L.P.	---	---	---	---	12.6	9.3	14.2	11.2	16.2	21.3
Pequot Capital Mgmt, Inc. - Pequot Endowment Fund, L.P.	10.8	9.9	8.6	9.8	9.1	8.1	8.5	11.4	8.5	6.4
Pequot Capital Mgmt, Inc. - Pequot Navigator Offshore Fund	14.5	13.2	10.2	5.8	3.6	5.0	8.6	8.8	9.1	9.4
Maximum	25.1	20.1	20.1	20.7	20.5	16.6	24.7	21.4	20.7	21.8
Median	12.4	11.0	9.8	5.9	6.0	8.6	11.8	10.4	10.6	10.1
Minimum	6.3	5.0	4.7	-4.3	-9.5	-9.3	-0.3	-3.7	-19.7	-22.3
Number of Funds	26	29	32	35	39	44	46	49	52	54
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 1 (continued)

REPRESENTATIVE HEDGE FUND MANAGERS - U.S LONG/SHORT GROWTH

Annual Returns (%)

<u>U.S. Equity Long/Short Growth Funds</u>	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Pequot Capital Mgmt, Inc. - Pequot Scout Fund, L.P.	18.2	41.8	60.2	13.4	-3.8	-13.5	13.0	10.1	12.1	10.2
Precept Capital Management, L.P. - The Precept Fund, L.P.	25.2	16.9	46.0	40.0	10.3	0.6	8.7	2.6	9.6	3.5
Red Comb, LLC - Snowdon, L.P.	---	---	53.1	4.8	-8.6	-7.7	24.2	8.4	8.0	11.5
Sage Asset Mgmt - Sage Opportunity Fund, L.P.	---	27.9	46.9	33.2	0.0	-13.8	14.2	14.3	17.0	13.0
SB Value Partners, L.P. - SAB III Growth Equity Program	---	---	---	---	---	---	---	---	4.5	18.3
Segalas Group, LLC (The) - KTS Olympus Partners, L.P.	---	---	---	14.2	-11.9	1.2	2.9	2.7	11.1	20.3
Select Equity Group, Inc. - SEG Partners, L.P.	---	---	-3.0	17.5	25.1	14.5	3.3	15.6	10.1	15.9
Seminole Capital Partners - Seminole Capital Partners, L.P.	98.1	11.7	48.5	40.4	16.1	-9.0	31.2	10.4	11.7	19.4
Sirios Capital Management - Sirios Capital Partners II, L.P.	---	---	---	18.4	4.3	5.2	9.4	5.1	10.7	13.4
Sonar Capital Management, LLC - Sonar Partners, L.P.	---	---	---	---	---	---	---	12.2	14.9	7.9
Sonz (Paul D.) Partners - Sonz Partners, L.P.	18.4	-0.2	33.7	15.8	2.2	-0.3	10.5	12.9	-16.8	-4.8
Suffolk Capital Management - Suffolk Partners, L.P.	---	---	---	---	---	---	39.1	36.9	25.9	-3.0
Tremblant Holdings LLC - Tremblant Concentrated Fund L.P.	24.1	3.8	58.8	-11.3	-10.7	-32.0	48.9	23.8	10.3	14.4
Tremblant Holdings LLC - Tremblant Partners, L.P.	---	---	---	---	---	4.8	13.4	19.2	17.3	-1.8
Tudor Investment Corporation - The Raptor Global Fund, L.P.	24.3	32.0	98.5	2.6	-2.9	6.2	15.7	19.2	9.0	15.8
Tudor Investment Corporation - Witches Rock Fund Ltd.	---	---	---	---	---	---	---	---	3.1	15.3
Veredus Asset Management, LLC - Veredus Partners, L.P.	5.4	43.3	98.9	76.3	-10.4	-47.7	26.1	44.4	-17.0	-22.3
Wall Street Associates - La Jolla Partners, L.P. (n)	-9.2	8.6	74.0	-5.9	-12.7	0.6	25.9	5.1	5.3	7.5
Welch Fund Mgmt, LLC - Welch Entrepreneurial Fund, L.P.	---	8.9	15.9	108	41.8	-3.1	5.3	1.8	4.3	16.6
Wellington Hedge Mgmt - Quissett Partners, L.P. (n)	55.3	0.8	77.3	26.0	6.6	-20.0	33.0	4.8	12.1	14.1
Zweig-DiMenna - Zweig-DiMenna Partners, L.P.	35.8	25.7	77.4	-6.6	-27.6	-11.7	12.2	17.8	23.2	18.2
Maximum	98.1	57.6	98.9	108.0	44.1	14.5	105.3	44.4	25.9	21.8
Median	24.7	16.9	49.2	15.8	-0.3	-7.5	16.3	8.9	9.3	10.6
Minimum	-9.2	-0.8	-7.3	-17.1	-27.6	-47.7	2.9	-0.8	-17.0	-22.3
Number of Funds	26	29	32	35	39	44	46	49	52	54
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 1 (continued)

REPRESENTATIVE HEDGE FUND MANAGERS - U.S. LONG/SHORT GROWTH

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

<u>U.S. Equity Long/Short Growth Funds</u>	<u>10 Yrs</u>	<u>9 Yrs</u>	<u>8 Yrs</u>	<u>7 Yrs</u>	<u>6 Yrs</u>	<u>5 Yrs</u>	<u>4 Yrs</u>	<u>3 Yrs</u>	<u>2 Yrs</u>	<u>1 Yr</u>
Pequot Capital Mgmtt, Inc. - Pequot Scout Fund, L.P.	14.6	14.2	11.1	5.5	4.2	5.9	11.3	10.8	11.1	10.2
Precept Capital Management, L.P. - The Precept Fund, L.P.	15.4	14.4	14.1	10.1	5.8	4.9	6.1	5.2	6.5	3.5
Red Comb, LLC - Snowdon, L.P.	---	---	10.3	5.3	5.4	8.4	12.8	9.3	9.7	11.5
Sage Asset Mgmt - Sage Opportunity Fund, L.P.	---	15.7	14.3	10.3	6.9	8.3	14.6	14.8	15.0	13.0
SB Value Partners, L.P. - SAB III Growth Equity Program	---	---	---	---	---	---	---	---	11.2	18.3
Segalas Group, LLC (The) - KTS Olympus Partners, L.P.	---	---	---	5.3	3.9	7.4	9.0	11.1	15.6	20.3
Select Equity Group, Inc. - SEG Partners, L.P.	---	---	12.1	14.4	13.9	11.8	11.1	13.8	12.9	15.9
Seminole Capital Partners - Seminole Capital Partners, L.P.	25.1	18.9	19.8	16.2	12.6	11.9	17.9	13.8	15.5	19.4
Sirios Capital Management - Sirios Capital Partners II, L.P.	---	---	---	9.4	8.0	8.7	9.6	9.7	12.0	13.4
Sonar Capital Management, LLC - Sonar Partners, L.P.	---	---	---	---	---	---	---	11.6	11.4	7.9
Sonz (Paul D.) Partners - Sonz Partners, L.P.	6.3	5.0	5.7	2.2	0.1	-0.3	-0.3	-3.7	-11.0	-4.8
Suffolk Capital Management - Suffolk Partners, L.P.	---	---	---	---	---	---	23.5	18.7	10.5	-3.0
Tremblant Holdings LLC - Tremblant Concentrated Fund L.P.	9.9	8.4	9.0	3.3	5.9	9.6	23.5	16.0	12.3	14.4
Tremblant Holdings LLC - Tremblant Partners, L.P.	---	---	---	---	---	10.3	11.7	11.1	7.3	-1.8
Tudor Investment Corporation - The Raptor Global Fund, L.P.	19.6	19.1	17.6	9.1	10.2	13.1	14.8	14.5	12.3	15.8
Tudor Investment Corporation - Witches Rock Fund Ltd.	---	---	---	---	---	---	---	---	9.0	15.3
Veredus Asset Management, LLC - Veredus Partners, L.P.	11.3	12.0	8.6	-0.4	-9.5	-9.3	4.1	-2.3	-19.7	-22.3
Wall Street Associates - La Jolla Partners, L.P. (n)	7.8	9.9	10.1	3.1	4.7	8.6	10.7	6.0	6.4	7.5
Welch Fund Mgmt, LLC - Welch Entrepreneurial Fund, L.P.	---	18.8	20.1	20.7	10.2	4.8	6.9	7.4	10.3	16.6
Wellington Hedge Mgmt - Quissett Partners, L.P. (n)	18.2	14.7	16.5	9.7	7.2	7.4	15.6	10.3	13.1	14.1
Zweig-DiMenna - Zweig-DiMenna Partners, L.P.	13.3	11.0	9.3	2.0	3.5	11.2	17.8	19.7	20.7	18.2
Maximum	25.1	20.1	20.1	20.7	20.5	16.6	24.7	21.4	20.7	21.8
Median	12.4	11.0	9.8	5.9	6.0	8.6	11.8	10.4	10.6	10.1
Minimum	6.3	5.0	4.7	-4.3	-9.5	-9.3	-0.3	-3.7	-19.7	-22.3
Number of Funds	26	29	32	35	39	44	46	49	52	54
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 2

REPRESENTATIVE HEDGE FUND MANAGERS - U.S. LONG/SHORT VALUE

Annual Returns (%)

<u>U.S. Equity Long/Short Value Funds</u>	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Abrams Bison Investments - Abrams Bison Partners, L.P.	---	---	---	17.4	13.9	6.6	27.4	12.8	1.9	25.8
Abrams Capital, LLC - Abrams Capital Partners II, L.P.	---	---	---	28.4	25.0	-4.8	43.2	33.0	15.5	26.7
ACT Capital Mgmt, LLC - ACT Capital Partners, L.P.	---	---	---	---	---	---	---	37.9	29.1	17.3
Akre Capital Mgmt - Braddock Partners, L.P.	---	---	---	4.0	9.3	4.0	50.7	41.3	4.7	18.1
Aletheia Research and Management - Aletheia Insider Index	---	---	---	-3.6	2.2	5.8	10.7	3.6	11.9	21.7
Alson Partners, LLC - Alson Signature Funds	---	---	---	---	---	---	9.8	8.5	12.9	15.3
Atlantic Investment Mgmt - Cambrian Partners, L.P.	46.6	-8.5	37.1	54.2	19.6	5.0	31.3	12.5	3.0	12.1
Atlantic Investment Mgmt - Quest Capital Partners, L.P.	59.3	-15.5	34.1	62.7	17.5	9.3	18.6	11.6	2.3	5.4
Bay Harbour Investments - Trophy Hunter Investments, L.P.	17.4	-13.5	44.3	-9.4	18.4	-36.5	16.4	27.9	18.6	37.3
Brahman Capital Corp. - Brahman Institutional Partners, L.P.	6.9	-25.9	20.6	13.2	10.1	20.6	15.8	14.0	6.7	6.3
Brahman Capital Corp. - Brahman Partners II, L.P.	2.3	-24.9	25.6	13.6	11.4	19.4	15.5	14.3	7.7	7.2
Charter Oak Partners - Charter Oak Partners Funds	25.1	14.9	12.8	9.9	1.8	-5.5	14.5	4.4	6.4	9.0
Chilton Investment Co. - Chilton Strategic Value Partners	---	---	---	---	---	---	---	---	12.9	2.5
Clover Partners, L.P. - Castle Fund I, L.P.	---	---	---	35.0	-22.2	-11.3	12.1	13.9	13.5	6.5
Clovis Capital Mgmt - Clovis Capital Partners Institutional	---	---	---	---	---	---	22.6	14.3	17.1	7.4
Courage Capital Mgmt - Courage Special Situations Fund	---	---	10.7	25.7	21.5	3.5	29.9	12.4	4.4	12.8
Cramer Rosenthal McGlynn, LLC - CRM Partners Fund, L.P.	11.5	0.0	-8.7	50.3	24.5	-14.7	18.4	11.5	6.7	11.2
Cramer Rosenthal McGlynn, LLC - CRM Windridge Partners, L.P.	---	---	---	---	---	2.0	26.9	19.8	3.8	18.7
Cumberland Associates, LLC - Cumberland Partners, L.P.	32.0	-3.0	35.0	-0.6	12.7	-8.5	43.5	10.3	-1.1	13.2
Diker Management - Diker Micro and Small Cap Fund (n)	---	---	---	---	---	---	---	---	13.9	13.2
Eastbourne Capital Management - Black Bear Fund, L.P.	29.3	25.3	51.4	-6.1	14.5	-0.9	38.5	17.0	24.7	0.3
Eminence Capital, LLC - Eminence Partners, L.P.	---	---	47.3	39.2	15.1	2.4	13.0	20.2	15.3	11.2
Eos Partners - Eos Partners, L.P. (n)	18.7	11.4	27.6	5.2	-5.6	-5.6	17.9	9.1	7.2	6.6
Esplanade Capital LLC - Esplanade Capital Partners I LLC	---	---	---	-11.6	20.4	-3.1	39.6	15.9	9.9	8.9
Force Capital, LLC - Force Capital Management, L.P. (n)	---	---	---	---	---	---	14.3	8.9	6.2	13.6
Forest Hill Capital - Forest Hill Select Fund, L.P.	---	---	---	---	35.7	-2.2	31.8	20.1	-3.1	11.4
Francis Capital Management, LLC - Catalysis Partners, LLC	---	---	---	---	96.6	8.8	28.9	26.6	20.4	10.2
Gates Capital Management, Inc. - ECF Value Fund, L.P.	24.3	17.6	-17.2	-13.0	54.9	29.6	47.5	18.3	11.2	14.6
Glenview Capital GP, LLC - Glenview Funds	---	---	---	---	28.0	-13.1	70.1	34.0	15.7	1.5
GMT Capital Corporation - Bay Resource Partners, L.P.	39.3	37.5	-1.5	23.7	26.7	1.2	18.5	28.0	32.9	21.6
Goodnow Investment Group - Vertical Partners, L.P.	---	---	---	15.0	4.5	-8.4	24.9	9.6	4.9	14.2
Grantham, Mayo, Van Otterloo - Mean Reversion Strategy	---	---	---	---	---	9.9	35.8	11.4	7.0	6.5
Maximum	59.3	37.5	151.2	62.7	96.6	29.6	168.6	81.5	42.7	57.9
Median	27.4	-1.3	23.6	17.3	15.1	1.8	21.9	12.8	8.8	11.7
Minimum	2.3	-27.8	-19.7	-79.8	-22.2	-37.2	-6.6	-9.2	-11.1	-9.1
Number of Funds	30	31	35	47	54	67	76	79	84	87
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 2 (continued)

REPRESENTATIVE HEDGE FUND MANAGERS - U.S. LONG/SHORT VALUE

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

<u>U.S. Equity Long/Short Value Funds</u>	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Abrams Bison Investments - Abrams Bison Partners, L.P.	---	---	---	14.8	14.4	14.5	16.5	13.1	13.2	25.8
Abrams Capital, LLC - Abrams Capital Partners II, L.P.	---	---	---	23.0	22.1	21.5	29.2	24.8	21.0	26.7
ACT Capital Mgmt, LLC - ACT Capital Partners, L.P.	---	---	---	---	---	---	---	27.8	23.0	17.3
Akre Capital Mgmt - Braddock Partners, L.P.	---	---	---	17.6	20.0	22.3	27.4	20.4	11.2	18.1
Aletheia Research and Management - Aletheia Insider Index	---	---	---	7.2	9.1	10.6	11.8	12.2	16.7	21.7
Alson Partners, LLC - Alson Signature Funds	---	---	---	---	---	---	11.6	12.2	14.1	15.3
Atlantic Investment Mgmt - Cambrian Partners, L.P.	19.8	17.1	20.8	18.6	13.5	12.3	14.3	9.1	7.4	12.1
Atlantic Investment Mgmt - Quest Capital Partners, L.P.	18.3	14.5	18.9	16.9	11.7	9.3	9.3	6.4	3.8	5.4
Bay Harbour Investments - Trophy Hunter Investments, L.P.	9.2	8.4	11.5	7.4	10.5	9.0	24.8	27.7	27.6	37.3
Brahman Capital Corp. - Brahman Institutional Partners, L.P.	7.9	8.1	13.3	12.3	12.1	12.5	10.6	8.9	6.5	6.3
Brahman Capital Corp. - Brahman Partners II, L.P.	8.3	9.0	14.2	12.6	12.5	12.7	11.1	9.7	7.4	7.2
Charter Oak Partners - Charter Oak Partners Funds	9.0	7.4	6.5	5.6	4.9	5.5	8.5	6.6	7.7	9.0
Chilton Investment Co. - Chilton Strategic Value Partners	---	---	---	---	---	---	---	---	7.5	2.5
Clover Partners, L.P. - Castle Fund I, L.P.	---	---	---	5.3	1.1	6.5	11.5	11.3	10.0	6.5
Clovis Capital Mgmt - Clovis Capital Partners Institutional	---	---	---	---	---	---	15.2	12.9	12.1	7.4
Courage Capital Mgmt - Courage Special Situations Fund	---	---	14.8	15.4	13.7	12.2	14.5	9.8	8.5	12.8
Cramer Rosenthal McGlynn, LLC - CRM Partners Fund, L.P.	9.8	9.6	10.9	14.0	8.8	6.0	11.9	9.8	8.9	11.2
Cramer Rosenthal McGlynn, LLC - CRM Windridge Partners, L.P.	---	---	---	---	---	13.8	17.0	13.9	11.0	18.7
Cumberland Associates, LLC - Cumberland Partners, L.P.	12.1	10.1	11.9	8.9	10.6	10.1	15.4	7.3	5.8	13.2
Diker Management - Diker Micro and Small Cap Fund (n)	---	---	---	---	---	---	---	---	13.5	13.2
Eastbourne Capital Management - Black Bear Fund, L.P.	18.1	17.0	16.0	11.6	14.9	15.0	19.3	13.5	11.9	0.3
Eminence Capital, LLC - Eminence Partners, L.P.	---	---	19.7	16.2	12.7	12.3	14.9	15.5	13.2	11.2
Eos Partners - Eos Partners, L.P. (n)	8.8	7.8	7.3	4.7	4.6	6.8	10.1	7.6	6.9	6.6
Esplanade Capital LLC - Esplanade Capital Partners I LLC	---	---	---	10.4	14.6	13.4	18.0	11.5	9.4	8.9
Force Capital, LLC - Force Capital Management, L.P. (n)	---	---	---	---	---	---	10.7	9.5	9.8	13.6
Forest Hill Capital - Forest Hill Select Fund, L.P.	---	---	---	---	14.6	10.8	14.3	9.0	3.9	11.4
Francis Capital Management, LLC - Catalysis Partners, LLC	---	---	---	---	29.1	18.7	21.3	18.9	15.2	10.2
Gates Capital Management, Inc. - ECF Value Fund, L.P.	16.7	15.9	15.7	21.4	28.3	23.6	22.1	14.7	12.9	14.6
Glenview Capital GP, LLC - Glenview Funds	---	---	---	---	20.0	18.4	27.9	16.3	8.4	1.5
GMT Capital Corporation - Bay Resource Partners, L.P.	22.0	20.3	18.3	21.4	21.0	19.9	25.1	27.4	27.1	21.6
Goodnow Investment Group - Vertical Partners, L.P.	---	---	---	8.8	7.8	8.5	13.2	9.5	9.5	14.2
Grantham, Mayo, Van Otterloo - Mean Reversion Strategy	---	---	---	---	---	13.6	14.6	8.3	6.7	6.5
Maximum	25.2	22.0	25.1	23.0	29.1	26.6	45.5	30.1	27.6	57.9
Median	13.3	11.7	14.2	13.2	13.1	12.4	14.4	11.6	10.7	11.7
Minimum	-7.4	-11.2	-10.9	-12.6	0.0	0.3	-0.8	-0.9	-4.5	-9.1
Number of Funds	30	31	35	47	54	67	76	79	84	87
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 2 (continued)

REPRESENTATIVE HEDGE FUND MANAGERS - U.S. LONG/SHORT VALUE

Annual Returns (%)

<u>U.S. Equity Long/Short Value Funds</u>	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Grantham, Mayo, Van Otterloo - U.S. Aggressive Long/Short	---	---	---	---	17.1	25.9	-5.6	1.1	3.6	-1.9
Great Oaks Capital Mgmt - Great Oaks Strategic Master Fund, Ltd.	---	---	---	---	---	---	---	---	---	57.9
Greenlight Capital - Greenlight Capital, L.P.	57.9	10.0	39.7	13.6	31.6	7.7	36.8	25.0	13.1	25.0
GRT Capital Parters, LLC - GRT Topaz Partners, L.P.	---	---	---	---	---	2.3	23.0	6.6	14.3	20.1
Hawkeye Capital Management, LLC - Hawkeye Capital Funds	---	---	---	8.0	-2.4	28.6	44.0	13.0	12.7	21.0
Highline Capital Mgmt - Highline Capital Partners, L.P.	25.5	7.6	32.7	2.1	7.6	-9.3	23.0	9.3	8.8	13.2
HomeField Capital, L.P. - HomeField Partners, L.P.	---	---	---	---	---	---	---	---	---	7.2
Hoplite Capital Mgmt - Hoplite Partners, L.P. (n)	---	---	---	---	---	---	---	10.6	33.7	2.0
Icahn GP, LLC - Icahn Partners, L.P.	---	---	---	---	---	---	---	---	11.6	27.2
Iridian Asset Management - Iridian Opportunity Fund, L.P.	---	---	---	---	---	---	---	---	8.8	19.8
Iron Horse Capital Mgmt - Iron Horse Capital Partners, L.P.	---	---	---	---	---	---	14.2	6.1	6.7	8.2
Ironworks Capital Mgmt - Ironworks Partners, L.P.	---	---	---	---	---	---	---	---	---	14.9
JANA Partners, LLC - JANA Master Fund, Ltd.	---	---	---	---	---	10.3	45.8	25.9	11.2	16.3
JL Advisors - JL Partners, L.P.	25.6	-5.2	18.7	14.6	6.2	-1.0	14.3	12.4	4.7	10.7
Kensico Capital, LLC - Kensico Partners, L.P.	---	---	---	40.1	31.4	15.0	18.4	17.3	12.0	13.1
Knott (D.M.) - Knott Partners, L.P. (n)	39.7	8.2	2.2	23.3	8.6	3.0	35.1	17.8	23.8	1.3
Kovitz Inv. Group - New Fundamental Hedged Equity, L.P.	---	---	---	---	---	---	11.9	12.9	9.4	11.2
Lakeway Capital Partners, LLC - Yaupon Partners, L.P. (n)	---	---	36.0	10.5	29.9	-5.3	42.5	6.1	4.3	21.5
Lindvall Capital Management, LLC - JLH Offshore Ltd.	---	---	---	---	---	8.8	6.8	9.9	24.5	9.2
Litespeed Capital, LLC - Litespeed Partners, L.P.	---	---	---	---	---	---	43.9	15.5	3.3	20.9
Manley Asset Mgmt - Manley Investment Partners	5.1	23.2	21.9	22.3	-1.3	-13.7	20.9	6.9	-5.9	-3.1
Mayo Capital GP LLC - MCP Fund, L.P.	---	---	---	---	---	-4.1	18.2	11.8	6.3	10.8
Meisenbach Capital Management - Balboa Fund, L.P.	16.6	9.1	23.6	17.2	2.1	1.0	13.9	11.0	3.2	6.2
Morgens, Waterfall, Vintiadis & Co. - Phoenix Partners	8.0	2.6	20.2	26.6	10.8	-17.5	24.6	21.5	6.2	5.7
Morgens, Waterfall, Vintiadis & Co. - Phoenix Partners II	---	---	---	---	---	---	---	19.7	5.3	5.8
North Run Capital, L.P. - North Run Capital Partners, L.P.	---	---	---	---	---	---	21.9	12.9	9.5	25.7
North Sound Capital - North Sound Legacy Institutional Fund, LLC	---	---	---	---	---	11.9	12.9	10.6	6.1	-9.1
O.S.S. Capital Mgmt - Oscar S. Schafer & Partners I, L.P.	---	---	---	---	---	16.5	34.1	21.7	8.4	22.2
Omega Advisors, Inc. - Omega Capital Partners, L.P.	27.0	-5.4	24.1	13.9	2.0	-10.9	50.0	15.4	11.1	19.6
Pike Place Capital Management, LLC - Pike Place Partners II L.P.	---	---	---	---	---	---	19.8	22.2	8.1	8.7
Regan (Basil P.) - Regan Partners, L.P.	36.0	-13.9	2.1	-79.8	68.0	-28.4	58.5	-9.2	18.1	-5.7
RIMA Management, LLC - Senvest Partners, L.P.	---	-27.8	151.2	-28.9	19.6	-37.2	168.6	10.8	25.5	20.0
Maximum	59.3	37.5	151.2	62.7	96.6	29.6	168.6	81.5	42.7	57.9
Median	27.4	-1.3	23.6	17.3	15.1	1.8	21.9	12.8	8.8	11.7
Minimum	2.3	-27.8	-19.7	-79.8	-22.2	-37.2	-6.6	-9.2	-11.1	-9.1
Number of Funds	30	31	35	47	54	67	76	79	84	87
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 2 (continued)

REPRESENTATIVE HEDGE FUND MANAGERS - U.S. LONG/SHORT VALUE

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

U.S. Equity Long/Short Value Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Grantham, Mayo, Van Otterloo - U.S. Aggressive Long/Short	---	---	---	---	6.1	4.1	-0.8	0.9	0.8	-1.9
Great Oaks Capital Mgmt - Great Oaks Strategic Master Fund, Ltd.	---	---	---	---	---	---	---	---	---	57.9
Greenlight Capital - Greenlight Capital, L.P.	25.2	22.0	23.6	21.4	22.8	21.1	24.7	20.9	18.9	25.0
GRT Capital Parters, LLC - GRT Topaz Partners, L.P.	---	---	---	---	---	13.0	15.8	13.5	17.2	20.1
Hawkeye Capital Management, LLC - Hawkeye Capital Funds	---	---	---	17.0	18.6	23.3	22.0	15.5	16.8	21.0
Highline Capital Mgmt - Highline Capital Partners, L.P.	11.5	10.0	10.3	7.4	8.3	8.5	13.4	10.4	11.0	13.2
HomeField Capital, L.P. - HomeField Partners, L.P.	---	---	---	---	---	---	---	---	---	7.2
Hoplite Capital Mgmt - Hoplite Partners, L.P. (n)	---	---	---	---	---	---	---	14.7	16.8	2.0
Icahn GP, LLC - Icahn Partners, L.P.	---	---	---	---	---	---	---	---	19.2	27.2
Iridian Asset Management - Iridian Opportunity Fund, L.P.	---	---	---	---	---	---	---	---	14.1	19.8
Iron Horse Capital Mgmt - Iron Horse Capital Partners, L.P.	---	---	---	---	---	---	8.7	7.0	7.4	8.2
Ironworks Capital Mgmt - Ironworks Partners, L.P.	---	---	---	---	---	---	---	---	---	14.9
JANA Partners, LLC - JANA Master Fund, Ltd.	---	---	---	---	---	21.2	24.1	17.6	13.7	16.3
JL Advisors - JL Partners, L.P.	9.8	8.1	9.9	8.7	7.8	8.1	10.5	9.2	7.7	10.7
Kensico Capital, LLC - Kensico Partners, L.P.	---	---	---	20.6	17.7	15.1	15.1	14.1	12.5	13.1
Knott (D.M.) - Knott Partners, L.P. (n)	15.6	13.1	13.8	15.5	14.3	15.5	18.8	13.9	12.0	1.3
Kovitz Inv. Group - New Fundamental Hedged Equity, L.P.	---	---	---	---	---	---	11.3	11.1	10.3	11.2
Lakeway Capital Partners, LLC - Yaupon Partners, L.P. (n)	---	---	17.1	14.6	15.4	12.6	17.6	10.4	12.6	21.5
Lindvall Capital Management, LLC - JLH Offshore Ltd.	---	---	---	---	---	11.7	12.4	14.3	16.6	9.2
Litespeed Capital, LLC - Litespeed Partners, L.P.	---	---	---	---	---	---	20.0	13.0	11.8	20.9
Manley Asset Mgmt - Manley Investment Partners	6.8	7.0	5.2	3.0	0.0	0.3	4.2	-0.9	-4.5	-3.1
Mayo Capital GP LLC - MCP Fund, L.P.	---	---	---	---	---	8.3	11.7	9.6	8.5	10.8
Meisenbach Capital Management - Balboa Fund, L.P.	10.2	9.5	9.5	7.6	6.1	7.0	8.5	6.8	4.7	6.2
Morgens, Waterfall, Vintiadis & Co. - Phoenix Partners	10.1	10.3	11.3	10.1	7.6	7.0	14.2	10.9	5.9	5.7
Morgens, Waterfall, Vintiadis & Co. - Phoenix Partners II	---	---	---	---	---	---	---	10.1	5.5	5.8
North Run Capital, L.P. - North Run Capital Partners, L.P.	---	---	---	---	---	---	17.3	15.8	17.3	25.7
North Sound Capital - North Sound Legacy Institutional Fund, LLC	---	---	---	---	---	6.2	4.8	2.2	-1.8	-9.1
O.S.S. Capital Mgmt - Oscar S. Schafer & Partners I, L.P.	---	---	---	---	---	20.3	21.2	17.2	15.1	22.2
Omega Advisors, Inc. - Omega Capital Partners, L.P.	13.5	12.1	14.5	13.2	13.1	15.4	23.1	15.3	15.3	19.6
Pike Place Capital Management, LLC - Pike Place Partners II L.P.	---	---	---	---	---	---	14.5	12.8	8.4	8.7
Regan (Basil P.) - Regan Partners, L.P.	-7.4	-11.2	-10.9	-12.6	11.6	2.8	12.5	0.4	5.6	-5.7
RIMA Management, LLC - Senvest Partners, L.P.	---	17.7	25.1	13.3	22.4	23.0	45.5	18.6	22.7	20.0
Maximum	25.2	22.0	25.1	23.0	29.1	26.6	45.5	30.1	27.6	57.9
Median	13.3	11.7	14.2	13.2	13.1	12.4	14.4	11.6	10.7	11.7
Minimum	-7.4	-11.2	-10.9	-12.6	0.0	0.3	-0.8	-0.9	-4.5	-9.1
Number of Funds	30	31	35	47	54	67	76	79	84	87
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 2 (continued)

REPRESENTATIVE HEDGE FUND MANAGERS - U.S. LONG/SHORT VALUE

Annual Returns (%)

<u>U.S. Equity Long/Short Value Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Robertson Opportunity Capital - Robertson Opportunity Fund	27.4	3.7	23.2	0.4	14.2	-7.7	50.6	13.9	-0.4	16.8
Royal Capital Mgmt - Royal Capital Fund, L.P.	---	---	-19.7	29.2	33.1	5.3	14.0	9.4	27.2	8.6
SAB Capital Advisors - SAB Capital Partners, L.P.	---	---	36.4	43.7	20.3	5.4	9.9	11.3	9.7	8.5
Sanborn Kilcollin Partners, LLC - The Elkhorn Fund, LLC	---	---	---	---	---	15.4	8.4	8.7	7.8	18.6
SB Value Partners, L.P. - SAB I Moderate Equity	---	---	---	19.5	8.6	-9.8	25.7	7.0	2.7	15.0
SB Value Partners, L.P. - SAB II Conservative Equity	---	---	---	---	---	---	20.7	3.7	2.2	15.3
SC Fundamental, LLC - SC Fundamental Value Fund, L.P.	17.7	-6.6	2.3	31.5	15.4	17.0	21.6	5.7	2.9	4.9
Scopia Capital LLC - Scopia Partners QP LLC	---	---	---	---	---	15.5	10.1	8.8	6.1	7.6
Scout Capital, LLC - Scout Capital Partners, L.P.	---	---	---	30.0	3.8	-4.7	19.9	21.1	7.7	9.4
SLS Capital, LLC - SLS Investors, L.P.	---	---	---	22.1	4.0	-7.7	17.1	10.6	7.8	14.8
Stadia Capital, LLC - Stadia Core Strategy	---	---	---	---	8.3	17.2	11.9	4.9	8.8	6.6
Steelhead Partners - The J-K Navigator Fund, L.P. (n)	51.0	-4.6	28.1	5.4	7.9	-26.7	101.3	81.5	-11.1	36.5
Stonebrook Fund Mgmt - Stonebrook Institutional Partners	---	---	---	---	---	-2.4	28.8	15.3	6.1	1.2
TigerShark Management, LLC - TigerShark Fund, L.P.	---	---	---	---	---	3.3	-6.6	0.5	11.4	9.2
Trafelet & Company, LLC - U.S. Delta Funds	---	---	---	---	6.8	10.1	38.9	17.5	42.7	1.9
Tuckerbrook Alt. Inv. - Tuckerbrook Long/Short Value Fund	---	---	---	---	---	---	---	---	5.5	15.0
Tyndall Capital Partners - Tyndall Institutional Partners, L.P.	27.5	-1.3	3.4	41.6	39.7	18.7	29.7	11.4	12.3	10.4
Tyndall Capital Partners - Tyndall Partners, L.P.	32.6	-2.4	2.1	44.5	30.7	17.7	28.0	11.2	10.4	11.0
VA Partners, LLC - ValueAct Capital Partners, L.P.	---	---	---	---	44.1	-2.2	23.1	28.5	16.3	18.2
Water Street Capital - Water Street Partners	34.3	-14.5	8.1	60.1	21.7	24.0	-3.9	16.5	14.4	13.0
Weiss, Peck & Greer - WPG Farber Fund, L.P.	27.4	11.8	42.4	62.2	-16.9	-15.1	19.1	16.3	5.3	13.5
Wellington Hedge Mgmt - J. Caird Partners, L.P. (n)	---	---	---	41.5	39.2	1.2	17.3	6.8	10.5	16.6
Witmer Capital Mgmt - Eagle Capital Partners, L.P.	29.9	1.9	23.9	33.0	25.9	-7.1	28.0	15.6	11.4	25.0
Wynnefield Capital - Wynnefield Partners Small Cap Value	35.5	-15.0	6.9	6.7	24.7	4.6	32.8	25.0	10.1	13.1
Maximum	59.3	37.5	151.2	62.7	96.6	29.6	168.6	81.5	42.7	57.9
Median	27.4	-1.3	23.6	17.3	15.1	1.8	21.9	12.8	8.8	11.7
Minimum	2.3	-27.8	-19.7	-79.8	-22.2	-37.2	-6.6	-9.2	-11.1	-9.1
Number of Funds	30	31	35	47	54	67	76	79	84	87
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 2 (continued)

REPRESENTATIVE HEDGE FUND MANAGERS - U.S. LONG/SHORT VALUE

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

U.S. Equity Long/Short Value Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Robertson Opportunity Capital - Robertson Opportunity Fund	13.1	11.7	12.7	11.3	13.2	13.0	18.9	9.8	7.9	16.8
Royal Capital Mgmt - Royal Capital Fund, L.P.	---	---	12.17	17.66	15.84	12.66	14.58	14.78	17.54	8.6
SAB Capital Advisors - SAB Capital Partners, L.P.	---	---	17.4	14.9	10.7	8.9	9.8	9.8	9.1	8.5
Sanborn Kilcollin Partners, LLC - The Elkhorn Fund, LLC	---	---	---	---	---	11.7	10.8	11.6	13.0	18.6
SB Value Partners, L.P. - SAB I Moderate Equity	---	---	---	9.3	7.6	7.5	12.3	8.1	8.7	15.0
SB Value Partners, L.P. - SAB II Conservative Equity	---	---	---	---	---	---	10.2	6.9	8.5	15.3
SC Fundamental, LLC - SC Fundamental Value Fund, L.P.	10.7	10.0	12.2	13.7	11.0	10.2	8.5	4.5	3.9	4.9
Scopia Capital LLC - Scopia Partners QP LLC	---	---	---	---	---	9.6	8.1	7.5	6.8	7.6
Scout Capital, LLC - Scout Capital Partners, L.P.	---	---	---	11.9	9.2	10.3	14.4	12.6	8.6	9.4
SLS Capital, LLC - SLS Investors, L.P.	---	---	---	9.4	7.4	8.1	12.5	11.0	11.2	14.8
Stadia Capital, LLC - Stadia Core Strategy	---	---	---	---	9.5	9.8	8.0	6.7	7.7	6.6
Steelhead Partners - The J-K Navigator Fund, L.P. (n)	21.1	18.2	21.4	20.5	23.2	26.6	45.1	30.1	10.1	36.5
Stonebrook Fund Mgmt - Stonebrook Institutional Partners	---	---	---	---	---	9.2	12.4	7.4	3.6	1.2
TigerShark Management, LLC - TigerShark Fund, L.P.	---	---	---	---	---	3.4	3.4	6.9	10.3	9.2
Trafelet & Company, LLC - U.S. Delta Funds	---	---	---	---	18.6	21.2	24.1	19.6	20.6	1.9
Tuckerbrook Alt. Inv. - Tuckerbrook Long/Short Value Fund	---	---	---	---	---	---	---	---	10.1	15.0
Tyndall Capital Partners - Tyndall Institutional Partners, L.P.	18.5	17.6	20.2	22.8	19.9	16.3	15.7	11.4	11.4	10.4
Tyndall Capital Partners - Tyndall Partners, L.P.	17.7	16.2	18.8	21.4	17.9	15.5	14.9	10.9	10.7	11.0
VA Partners, LLC - ValueAct Capital Partners, L.P.	---	---	---	---	20.5	16.3	21.4	20.9	17.2	18.2
Water Street Capital - Water Street Partners	15.8	13.9	18.1	19.6	13.9	12.4	9.7	14.6	13.7	13.0
Weiss, Peck & Greer - WPG Farber Fund, L.P.	14.4	13.1	13.2	9.6	2.6	7.0	13.4	11.6	9.3	13.5
Wellington Hedge Mgmt - J. Caird Partners, L.P. (n)	---	---	---	18.2	14.7	10.3	12.7	11.2	13.5	16.6
Witmer Capital Mgmt - Eagle Capital Partners, L.P.	18.1	16.8	18.8	18.1	15.8	13.9	19.8	17.2	18.0	25.0
Wynnefield Capital - Wynnefield Partners Small Cap Value	13.5	11.3	15.1	16.3	18.0	16.7	19.9	15.9	11.6	13.1
Maximum	25.2	22.0	25.1	23.0	29.1	26.6	45.5	30.1	27.6	57.9
Median	13.3	11.7	14.2	13.2	13.1	12.4	14.4	11.6	10.7	11.7
Minimum	-7.4	-11.2	-10.9	-12.6	0.0	0.3	-0.8	-0.9	-4.5	-9.1
Number of Funds	30	31	35	47	54	67	76	79	84	87
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 3

REPRESENTATIVE HEDGE FUND MANAGERS - SECTOR SPECIFIC

Annual Returns (%)

<u>Sector Specific Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
AEW Capital Mgmt - AEW Long/Short REIT Strategy	24.9	-10.8	0.6	34.0	14.5	4.9	37.2	34.5	14.1	38.5
Ampere Capital Mgmt, L.P. - The Perennial Growth Fund	---	---	---	---	---	---	---	9.6	5.3	2.4
Andesite, LLC - Andesite Life Sciences	---	---	---	---	---	---	---	13.8	0.3	13.7
Andor Cap. Mgmt - Andor Technology Aggressive Fund, L.P.	---	---	---	87.1	20.8	17.2	-6.8	5.3	21.7	7.6
Andor Cap. Mgmt - Andor Technology Fund, L.P.	26.2	59.4	93.9	31.5	11.1	8.1	-15.8	4.9	14.5	1.7
Andor Cap. Mgmt - Andor Technology Perennial Fund, L.P.	---	99.8	88.1	39.4	17.1	19.4	-11.9	-1.3	11.3	0.7
Angelo, Gordon & Co. - AG Long/Short Realty, L.P.	---	---	---	---	---	---	---	18.3	3.6	8.2
Baker Steel Cap. Managers - Genus Natural Resources Fund	---	---	---	---	---	---	37.6	2.3	10.4	9.6
Bennett Lawrence Mgmt - Bennett Lawrence Salus Fund, L.P.	---	---	---	---	---	---	---	4.3	13.5	1.3
BlackRock, Inc. - All Cap Energy Hedge Fund, LLC	---	---	---	---	---	---	---	---	---	9.5
BlackRock, Inc. - Small Cap Energy Hedge Fund (n)	---	---	16.1	128.0	2.5	4.8	45.8	34.7	33.7	-1.5
Brightleaf Capital - Brightleaf Partners, L.P.	---	---	---	---	---	---	39.9	22.0	4.2	27.0
Cambrian Capital - CamCap Energy Offshore Master Fund	---	---	---	---	---	---	---	27.2	42.9	26.9
Cambrian Capital - CamCap Resources Offshore Master Fund	---	---	---	---	---	---	---	28.4	40.6	32.7
Camelot Management Corp. - Camelot Capital, L.P.	25.8	30.6	87.7	9.6	-2.8	-7.8	8.8	4.2	-2.2	-0.3
Chatterjee Group (The) - TCG IndiaStar Cayman Ltd.	---	---	---	---	---	---	---	---	---	68.8
Chilton Inv. Co. - Chilton Global Natural Resources Partners	---	---	---	---	---	---	---	---	---	17.8
Chilton Inv. Co. - Chilton New Era Partners, L.P.	---	---	---	---	11.0	-6.8	12.7	-2.4	-3.0	22.7
Cliffwood Partners - Cliffwood Absolute Return Strategy (n)	---	---	---	---	1.2	-0.7	13.1	9.7	13.9	9.9
Coatue Management LLC - Coatue Qualified Partners, L.P.	---	---	---	-6.9	27.0	12.1	-1.7	5.8	48.4	11.8
Continental Advisors LLC - Continental Partners, L.P.	---	---	---	32.1	-1.8	10.4	24.4	6.9	7.4	20.3
Cooper Hill Partners, LLC - CLSP, L.P.	---	21.4	279.0	97.4	-25.0	29.6	18.9	2.8	1.4	9.9
Criterion Capital Mgmt - Criterion Horizons Fund L.P.	---	---	---	---	---	---	29.8	1.5	6.7	33.6
DCF Advisers, LLC - DCF Partners, L.P.	---	---	87.8	39.7	-11.9	-33.9	35.5	16.7	1.7	9.4
Deerfield Mgmt Co. - Deerfield Partners, L.P.	37.4	33.4	25.8	79.4	6.0	18.5	16.9	-5.3	8.4	20.2
Deerfield Mgmt Co. - Deerfield Special Situations Fund, L.P.	---	---	---	---	---	---	---	---	---	22.8
Digital Century, LLC - Digital Century Aggressive Growth	---	89.0	72.4	-23.1	-37.4	-42.9	54.4	27.9	7.6	17.8
Diker Management, LLC - Diker Value-Tech Fund, L.P.	---	---	---	---	---	---	137.2	2.5	1.2	16.4
ELCO Management Co. - ELCO Energy Fund, L.P.	32.6	2.7	16.5	51.9	-27.9	-32.1	49.4	24.6	24.1	12.1
ELCO Management Co. - ELCO Select Fund, L.P.	---	---	---	---	---	-27.7	37.6	19.6	18.8	15.7
Emancipation Capital - Emancipation Capital, L.P. (n)	---	---	---	---	---	---	---	14.1	-4.3	23.1
Empire Capital Mgmt - Empire Capital Partners, L.P.	32.1	28.1	52.8	40.3	8.2	-12.8	12.1	13.1	4.0	17.1
Maximum	74.2	99.8	279.0	128.0	70.9	43.1	137.2	48.2	48.4	78.8
Median	26.4	20.4	52.8	39.4	8.6	0.8	22.1	8.8	8.7	13.3
Minimum	5.8	-58.8	-23.5	-23.1	-37.4	-42.9	-15.8	-7.4	-4.9	-15.3
Number of Funds	24	32	35	41	52	61	68	79	86	96
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 3 (continued)

REPRESENTATIVE HEDGE FUNDS - SECTOR SPECIFIC

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Sector Specific Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
AEW Capital Mgmt - AEW Long/Short REIT Strategy	18.1	17.3	21.4	24.7	23.2	25.1	30.7	28.6	25.7	38.5
Ampere Capital Mgmt, L.P. - The Perennial Growth Fund	---	---	---	---	---	---	---	5.7	3.8	2.4
Andesite, LLC - Andesite Life Sciences	---	---	---	---	---	---	---	9.1	6.8	13.7
Andor Cap. Mgmt - Andor Technology Aggressive Fund, L.P.	---	---	---	19.1	10.5	8.5	6.5	11.3	14.4	7.6
Andor Cap. Mgmt - Andor Technology Fund, L.P.	20.3	19.6	15.4	7.2	3.6	2.1	0.7	6.9	7.9	1.7
Andor Cap. Mgmt - Andor Technology Perennial Fund, L.P.	---	24.4	17.3	9.6	5.3	3.1	-0.6	3.4	5.9	0.7
Angelo, Gordon & Co. - AG Long/Short Realty, L.P.	---	---	---	---	---	---	---	9.8	5.9	8.2
Baker Steel Cap. Managers - Genus Natural Resources Fund	---	---	---	---	---	---	14.2	7.3	10.0	9.6
Bennett Lawrence Mgmt - Bennett Lawrence Salus Fund, L.P.	---	---	---	---	---	---	---	6.2	7.2	1.3
BlackRock, Inc. - All Cap Energy Hedge Fund, LLC	---	---	---	---	---	---	---	---	---	9.5
BlackRock, Inc. - Small Cap Energy Hedge Fund (n)	---	---	28.3	30.2	18.6	22.1	26.8	21.0	14.8	-1.5
Brightleaf Capital - Brightleaf Partners, L.P.	---	---	---	---	---	---	22.6	17.3	15.0	27.0
Cambrian Capital - CamCap Energy Offshore Master Fund	---	---	---	---	---	---	---	32.1	34.7	26.9
Cambrian Capital - CamCap Resources Offshore Master Fund	---	---	---	---	---	---	---	33.8	36.6	32.7
Camelot Management Corp. - Camelot Capital, L.P.	12.8	11.5	9.3	1.2	-0.2	0.4	2.5	0.5	-1.3	-0.3
Chatterjee Group (The) - TCG IndiaStar Cayman Ltd.	---	---	---	---	---	---	---	---	---	68.8
Chilton Inv. Co. - Chilton Global Natural Resources Partners	---	---	---	---	---	---	---	---	---	17.8
Chilton Inv. Co. - Chilton New Era Partners, L.P.	---	---	---	---	5.2	4.1	7.0	5.1	9.1	22.7
Cliffwood Partners - Cliffwood Absolute Return Strategy (n)	---	---	---	---	7.7	9.0	11.6	11.1	11.9	9.9
Coatue Management LLC - Coatue Qualified Partners, L.P.	---	---	---	12.6	16.2	14.1	14.6	20.6	28.8	11.8
Continental Advisors LLC - Continental Partners, L.P.	---	---	---	13.7	10.9	13.7	14.5	11.4	13.7	20.3
Cooper Hill Partners, LLC - CLSP, L.P.	---	31.8	33.2	14.7	4.8	12.0	8.0	4.6	5.6	9.9
Criterion Capital Mgmt - Criterion Horizons Fund L.P.	---	---	---	---	---	---	17.1	13.1	19.4	33.6
DCF Advisers, LLC - DCF Partners, L.P.	---	---	13.1	5.2	0.4	3.1	15.1	9.1	5.4	9.3
Deerfield Mgmt Co. - Deerfield Partners, L.P.	22.3	20.8	19.3	18.4	10.4	11.3	9.6	7.3	14.2	20.2
Deerfield Mgmt Co. - Deerfield Special Situations Fund, L.P.	---	---	---	---	---	---	---	---	---	22.8
Digital Century, LLC - Digital Century Aggressive Growth	---	9.4	2.2	-5.2	-1.8	7.4	25.8	17.5	12.6	17.8
Diker Management, LLC - Diker Value-Tech Fund, L.P.	---	---	---	---	---	---	30.1	6.4	8.5	16.4
ELCO Management Co. - ELCO Energy Fund, L.P.	11.8	9.7	10.6	9.8	4.0	11.9	26.8	20.1	17.9	12.1
ELCO Management Co. - ELCO Select Fund, L.P.	---	---	---	---	---	10.3	22.6	18.0	17.2	15.7
Emancipation Capital - Emancipation Capital, L.P. (n)	---	---	---	---	---	---	---	10.4	8.5	23.1
Empire Capital Mgmt - Empire Capital Partners, L.P.	18.1	16.6	15.3	10.7	6.5	6.1	11.5	11.3	10.4	17.1
Maximum	22.3	31.8	33.2	33.8	33.9	31.7	37.3	33.8	36.6	78.8
Median	15.2	15.3	16.1	12.6	10.2	9.7	13.2	10.4	11.3	13.3
Minimum	-0.1	-0.8	2.1	-5.2	-1.8	0.4	-0.6	0.5	-7.6	-15.3
Number of Funds	24	32	35	41	52	61	68	79	86	96
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 3 (continued)

REPRESENTATIVE HEDGE FUNDS - SECTOR SPECIFIC

Annual Returns (%)

<u>Sector Specific Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Endeavour Cap. Advisors - Financial Services Sector Fund	32.2	-12.9	-3.1	90.2	15.0	2.7	13.6	6.8	7.5	18.1
Firelake Cap. Mgmt - Firelake Strategic Tech Fund, L.P.	---	---	---	---	---	---	53.8	6.5	12.3	20.2
FrontPoint Partners - FrontPoint Healthcare Fund, L.P.	---	---	---	---	---	---	---	---	---	37.3
Gabelli & Partners - Gabelli International Gold Fund Limited	---	---	---	---	---	---	---	---	---	11.7
Gabelli & Partners - GAMA Select Energy Plus	---	---	---	---	53.9	25.5	44.2	2.6	9.5	43.8
Galleon Mgmt - Galleon Captain's Offshore, Ltd.	---	---	---	---	-0.3	14.5	17.6	8.1	4.7	24.2
Galleon Mgmt - Galleon Communications Partners, L.P.	---	30.5	46.7	56.2	-0.2	-8.5	20.7	0.3	0.4	16.3
Galleon Mgmt - Galleon Healthcare Partners, L.P.	---	31.3	110.2	11.0	-9.8	-18.0	31.2	5.8	11.2	26.9
Galleon Mgmt - Galleon Technology Partners II, L.P.	---	---	---	17.0	9.3	7.3	12.9	2.8	10.5	14.0
GEM Realty Capital, Inc. - GEM Realty Securities, L.P.	---	---	---	---	---	---	---	---	---	25.0
Healthcor Management, L.P. - HealthCor, L.P.	---	---	---	---	---	4.6	23.2	19.6	14.0	12.8
High Rise Capital Mgmt - Cedar Bridge Realty Fund, L.P.	---	---	---	---	11.7	-3.1	25.6	24.0	14.3	17.9
High Rise Capital Mgmt - High Rise Inst. Partners, L.P.	---	---	---	---	---	---	-4.5	4.4	13.2	3.3
Hovde Capital Advisors - Financial Institution Partners, L.P.	---	---	---	---	15.3	8.2	25.9	21.6	11.8	14.7
ING Clarion Real Estate Sec - Clarion CRA Hedge Fund, L.P.	---	---	---	57.0	21.7	3.6	12.0	6.1	9.4	11.4
Intrepid Cap Advisors - Intrepid Capital Fund (Offshore) Ltd.	---	---	---	---	---	---	56.1	48.2	6.8	43.9
K.G. Redding & Associates - Wells Street Partners, LLC	42.8	-2.2	-23.5	13.5	8.2	0.5	7.0	1.5	3.3	11.9
Keefe Managers - Keefe Partners, L.P.	74.2	-11.5	-6.3	15.8	31.0	17.5	26.3	11.5	2.9	8.0
Keefe Managers - Keefe-Rainbow Partners, L.P.	11.9	13.8	80.3	63.1	8.8	-14.9	28.8	12.4	4.1	5.3
Kilkenny Capital Mgmt - KCM Biomedical, L.P.	13.3	-58.8	11.3	-9.5	20.6	30.4	57.7	15.8	1.4	13.5
Kramer Spellman - Boston Provident Partners, L.P. (n)	5.8	-40.2	5.8	-7.0	6.6	9.5	14.0	6.9	4.4	6.4
Kramer Spellman - BP Institutional Partners, L.P. (n)	---	---	---	---	---	---	---	---	12.1	11.3
Longbow Advisors, LLC - Longbow Partners, L.P.	---	---	---	---	---	---	---	---	7.7	5.9
Merlin BioMed Group - Round Table Fund, L.P.	---	---	---	---	---	---	---	4.4	29.4	10.4
Moncrief Willingham Energy Advisors - HedgENERGY Partners	---	---	---	---	---	-25.2	26.8	20.0	-4.9	21.2
MPM BioEquities GP, LLC - MPM Bioequities Master Fund	---	32.3	91.4	-15.3	13.7	-22.1	26.7	25.4	2.1	25.5
Muoio (S.) & Co. LLC - SM Investors, L.P.	36.3	-9.5	14.9	56.1	9.0	-4.1	32.9	8.8	8.3	15.5
Northaven Associates - Northaven Partners, L.P.	13.7	5.8	55.8	41.6	-10.4	-34.4	61.2	23.6	0.7	-15.3
OrbiMed Advisors - Caduceus Capital, L.P.	33.8	28.9	42.9	106.3	0.4	-28.7	45.4	4.7	7.5	9.5
Owenoke Capital Management, LLC - Owenoke Composite	---	48.8	62.1	-0.9	-9.4	-6.1	15.2	-1.2	7.3	7.4
Pequot Capital Mgmt - Pequot Healthcare Fund, L.P.	---	26.4	157.1	77.6	-8.2	6.5	8.5	12.4	15.5	13.0
Polaris Technology Partners - Polaris Prime Technology L.P.	16.9	42.8	86.7	16.0	-1.6	4.8	15.5	4.8	6.5	15.0
Maximum	74.2	99.8	279.0	128.0	70.9	43.1	137.2	48.2	48.4	78.8
Median	26.4	20.4	52.8	39.4	8.6	0.8	22.1	8.8	8.7	13.3
Minimum	5.8	-58.8	-23.5	-23.1	-37.4	-42.9	-15.8	-7.4	-4.9	-15.3
Number of Funds	24	32	35	41	52	61	68	79	86	96
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 3 (continued)

REPRESENTATIVE HEDGE FUNDS - SECTOR SPECIFIC

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Sector Specific Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Endeavour Cap. Advisors - Financial Services Sector Fund	14.5	12.6	16.3	19.4	10.5	9.6	11.4	10.7	12.7	18.1
Firelake Cap. Mgmt - Firelake Strategic Tech Fund, L.P.	---	---	---	---	---	---	21.9	12.9	16.2	20.2
FrontPoint Partners - FrontPoint Healthcare Fund, L.P.	---	---	---	---	---	---	---	---	---	37.3
Gabelli & Partners - Gabelli International Gold Fund Limited	---	---	---	---	---	---	---	---	---	11.7
Gabelli & Partners - GAMA Select Energy Plus	---	---	---	---	28.5	23.9	23.5	17.3	25.5	43.8
Galleon Mgmt. - Galleon Captain's Offshore, Ltd.	---	---	---	---	11.2	13.6	13.4	12.0	14.1	24.2
Galleon Mgmt - Galleon Communications Partners, L.P.	---	16.2	14.5	10.5	4.3	5.3	9.1	5.4	8.1	16.3
Galleon Mgmt - Galleon Healthcare Partners, L.P.	---	18.0	16.4	7.0	6.4	9.9	18.3	14.3	18.8	26.9
Galleon Mgmt - Galleon Technology Partners II, L.P.	---	---	---	10.4	9.4	9.4	9.9	9.0	12.2	14.0
GEM Realty Capital, Inc. - GEM Realty Securities, L.P.	---	---	---	---	---	---	---	---	---	25.0
Healthcor Management, L.P. - HealthCor, L.P.	---	---	---	---	---	14.7	17.3	15.4	13.4	12.8
High Rise Capital Mgmt - Cedar Bridge Realty Fund, L.P.	---	---	---	---	14.7	15.2	20.3	18.7	16.1	17.9
High Rise Capital Mgmt - High Rise Inst. Partners, L.P.	---	---	---	---	---	---	3.9	6.9	8.2	3.3
Hovde Capital Advisors - Financial Institution Partners, L.P.	---	---	---	---	16.1	16.2	18.3	15.9	13.2	14.7
ING Clarion Real Estate Sec - Clarion CRA Hedge Fund, L.P.	---	---	---	16.2	10.5	8.4	9.7	8.9	10.4	11.4
Intrepid Cap Advisors - Intrepid Capital Fund (Offshore) Ltd.	---	---	---	---	---	---	37.3	31.6	24.0	43.9
K.G. Redding & Associates - Wells Street Partners, LLC	5.2	1.7	2.1	6.4	5.3	4.8	5.9	5.5	7.5	11.9
Keefe Managers - Keefe Partners, L.P.	15.0	9.8	12.8	15.8	15.8	13.0	11.9	7.4	5.4	8.0
Keefe Managers - Keefe-Rainbow Partners, L.P.	18.6	19.4	20.1	13.3	6.6	6.2	12.3	7.2	4.7	5.3
Kilkenny Capital Mgmt - KCM Biomedical, L.P.	4.5	3.6	16.2	17.0	22.1	22.4	20.4	10.0	7.3	13.5
Kramer Spellman - Boston Provident Partners, L.P. (n)	-0.1	-0.8	5.7	5.7	7.9	8.2	7.9	5.9	5.4	6.4
Kramer Spellman - BP Institutional Partners, L.P. (n)	---	---	---	---	---	---	---	---	11.7	11.3
Longbow Advisors, LLC - Longbow Partners, L.P.	---	---	---	---	---	---	---	---	6.8	5.9
Merlin BioMed Group - Round Table Fund, L.P.	---	---	---	---	---	---	---	14.2	19.5	10.4
Moncrief Willingham Energy Advisors - HedgENERGY Partners	---	---	---	---	---	5.6	15.1	11.4	7.3	21.2
MPM BioEquities GP, LLC - MPM Bioequities Master Fund	---	16.2	14.4	6.3	10.3	9.7	19.4	17.1	13.2	25.5
Muoio (S.) & Co. LLC - SM Investors, L.P.	15.4	13.3	16.5	16.7	11.2	11.6	16.0	10.8	11.8	15.5
Northaven Associates - Northaven Partners, L.P.	10.2	9.9	10.4	5.1	0.0	2.2	14.2	1.8	-7.6	-15.3
OrbiMed Advisors - Caduceus Capital, L.P.	20.6	19.2	18.1	14.9	4.2	5.0	15.7	7.2	8.5	9.5
Owenoke Capital Management, LLC - Owenoke Composite	---	11.5	7.6	1.5	1.8	4.3	7.0	4.4	7.3	7.4
Pequot Capital Mgmt - Pequot Healthcare Fund, L.P.	---	27.6	27.8	15.6	7.6	11.1	12.3	13.6	14.2	13.0
Polaris Technology Partners - Polaris Prime Technology L.P.	18.7	18.8	16.1	8.5	7.3	9.2	10.3	8.7	10.7	15.0
Maximum	22.3	31.8	33.2	33.8	33.9	31.7	37.3	33.8	36.6	78.8
Median	15.2	15.3	16.1	12.6	10.2	9.7	13.2	10.4	11.3	13.3
Minimum	-0.1	-0.8	2.1	-5.2	-1.8	0.4	-0.6	0.5	-7.6	-15.3
Number of Funds	24	32	35	41	52	61	68	79	86	96
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 3 (continued)

REPRESENTATIVE HEDGE FUNDS - SECTOR SPECIFIC

Annual Returns (%)

<u>Sector Specific Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Reich (Joseph H.) & Co. - Centennial Energy Partners, L.P.	26.6	-50.2	36.2	38.3	1.0	22.4	13.4	40.7	27.5	-6.6
S Squared Technology - Leaf Investment Partners, L.P.	---	---	---	---	21.3	-6.0	48.0	8.2	8.3	13.1
S Squared Technology - SG Partners, L.P.	14.8	19.4	102.1	-5.1	-4.9	-16.2	29.2	-2.2	5.6	10.9
Sandler Capital Management - Sandler Associates	32.6	32.8	67.7	0.5	5.9	0.7	19.0	4.9	7.1	5.0
SB Value Partners - SAB IV Financial Industries Partnership	---	---	---	---	---	---	---	---	5.5	11.5
SB Value Partners - SAB V Aging of America Partnership	---	---	---	---	---	---	---	---	5.1	12.9
Seasons Capital Mgmt - Seasons Aggressive Fund, L.P.	---	---	---	---	---	---	---	---	34.5	6.4
Seasons Capital Mgmt - Seasons Core Fund	---	---	---	---	---	---	---	10.0	13.5	4.7
Seasons Capital Mgmt - Seasons Leveraged Core Fund	---	---	---	---	---	---	---	---	---	4.9
Seligman (J. & W.) & Co. - Seligman Tech Spectrum Fund	---	---	---	---	---	-1.1	22.8	9.7	14.4	28.4
Sivik Global Healthcare - Sivik Global Healthcare Funds	---	---	---	---	---	-6.0	15.9	-3.4	11.9	14.7
Sivik Global Healthcare - Sivik Life Sciences Funds	---	---	---	---	---	-10.9	14.2	2.3	11.3	11.9
Sofaer Capital - Sofaer Capital Nat. Resources Hedge Fund	---	---	---	---	---	---	---	---	---	78.8
Sound Energy Partners - Southport Energy Plus Partners, L.P.	---	---	129.5	83.8	-3.6	-9.0	10.4	35.6	38.5	4.2
Spinner Asset Mgmt - Spinner Global Technology Fund, Ltd.	8.3	14.7	100.1	34.0	4.2	-24.2	34.4	-5.3	8.3	12.4
Tiger Consumer Mgmt - Tiger Consumer Partners, L.P.	---	---	---	---	14.7	1.1	11.7	5.8	10.9	16.4
Tiger Global Management, LLC - Tiger Global, L.P.	---	---	---	---	---	30.2	14.3	21.4	35.1	24.1
Tremblant Holdings LLC - Tremblant-Trident Capital L.P.	---	---	---	---	---	---	---	---	---	12.4
Urwick Capital Management - UC Financials Fund Limited	---	---	---	---	---	---	---	---	18.8	26.5
Van Eck Abs. Return Advisers - Hard Asset Partners, L.P.	25.8	-17.3	16.5	7.7	12.5	10.9	15.6	6.7	14.1	11.4
Welch Fund Management - Welch Life Sciences Fund, L.P.	---	---	---	---	70.9	-4.5	9.4	2.3	4.9	8.7
Welch Fund Management - Welch Technology Fund, L.P.	---	---	---	---	---	0.8	3.2	-2.7	-0.1	18.5
Wellington Hedge Mgmt - Bay Pond Partners, L.P. (n)	38.6	-51.5	-7.6	41.4	56.6	43.1	59.1	25.7	22.2	13.6
Wellington Hedge Mgmt - Hazelbrook Partners, L.P. (n)	---	---	---	65.7	8.5	-7.0	26.6	-7.4	7.6	16.5
Wellington Hedge Mgmt - North River Partners, L.P. (n)	16.6	24.5	14.3	74.6	19.6	7.4	21.4	9.6	9.0	12.4
Wellington Hedge Mgmt - Placer Creek Partners, L.P. (n)	---	---	---	---	---	---	---	19.6	30.7	22.7
Wellington Hedge Mgmt - Salthill Partners, L.P. (n)	---	---	---	---	5.1	-17.0	66.9	11.9	4.0	8.8
Wellington Hedge Mgmt - Spindrift Partners, L.P. (n)	41.6	-16.2	42.3	42.3	12.0	13.2	24.9	34.8	38.9	16.2
Wellington Hedge Mgmt - Terrebone Partners, L.P. (n)	---	---	---	---	---	---	7.5	28.2	19.8	22.4
Wellington Hedge Mgmt - Wolf Creek Partners, L.P. (n)	---	---	---	---	12.1	7.4	19.8	11.1	12.0	9.0
Westfield Capital Mgmt - Westfield Life Sciences Fund, L.P.	---	---	---	---	21.2	11.9	19.6	11.8	2.5	17.2
Zweig-DiMenna - Zweig-DiMenna Natural Resources, L.P.	---	---	---	---	---	---	---	---	25.4	22.0
Maximum	74.2	99.8	279.0	128.0	70.9	43.1	137.2	48.2	48.4	78.8
Median	26.4	20.4	52.8	39.4	8.6	0.8	22.1	8.8	8.7	13.3
Minimum	5.8	-58.8	-23.5	-23.1	-37.4	-42.9	-15.8	-7.4	-4.9	-15.3
Number of Funds	24	32	35	41	52	61	68	79	86	96
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 3 (continued)

REPRESENTATIVE HEDGE FUNDS - SECTOR SPECIFIC

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

<u>Sector Specific Funds</u>	<u>10 Yrs</u>	<u>9 Yrs</u>	<u>8 Yrs</u>	<u>7 Yrs</u>	<u>6 Yrs</u>	<u>5 Yrs</u>	<u>4 Yrs</u>	<u>3 Yrs</u>	<u>2 Yrs</u>	<u>1 Yr</u>
Reich (Joseph H.) & Co. - Centennial Energy Partners, L.P.	10.8	9.2	20.4	18.3	15.3	18.4	17.4	18.8	9.1	-6.6
S Squared Technology - Leaf Investment Partners, L.P.	---	---	---	---	14.4	13.0	18.3	9.8	10.7	13.1
S Squared Technology - SG Partners, L.P.	12.0	11.7	10.7	1.6	2.8	4.4	10.3	4.6	8.2	10.9
Sandler Capital Management - Sandler Associates	16.1	14.3	12.2	6.0	6.9	7.1	8.8	5.6	6.0	5.0
SB Value Partners - SAB IV Financial Industries Partnership	---	---	---	---	---	---	---	---	8.4	11.5
SB Value Partners - SAB V Aging of America Partnership	---	---	---	---	---	---	---	---	8.9	12.9
Seasons Capital Mgmt - Seasons Aggressive Fund, L.P.	---	---	---	---	---	---	---	---	19.6	6.4
Seasons Capital Mgmt - Seasons Core Fund	---	---	---	---	---	---	---	9.3	9.0	4.7
Seasons Capital Mgmt - Seasons Leveraged Core Fund	---	---	---	---	---	---	---	---	---	4.9
Seligman (J. & W.) & Co. - Seligman Tech Spectrum Fund	---	---	---	---	---	14.4	18.6	17.2	21.2	28.4
Sivik Global Healthcare - Sivik Global Healthcare Funds	---	---	---	---	---	6.2	9.5	7.4	13.3	14.7
Sivik Global Healthcare - Sivik Life Sciences Funds	---	---	---	---	---	5.3	9.8	8.4	11.6	11.9
Sofaer Capital - Sofaer Capital Nat. Resources Hedge Fund	---	---	---	---	---	---	---	---	---	78.8
Sound Energy Partners - Southport Energy Plus Partners, L.P.	---	---	29.7	19.5	11.3	14.5	21.3	25.1	20.2	4.2
Spinner Asset Mgmt - Spinner Global Technology Fund, Ltd.	15.1	15.9	16.0	7.3	3.4	3.3	11.6	4.8	10.3	12.4
Tiger Consumer Mgmt - Tiger Consumer Partners, L.P.	---	---	---	---	10.0	9.0	11.1	10.9	13.6	16.4
Tiger Global Management, LLC - Tiger Global, L.P.	---	---	---	---	---	24.8	23.5	26.7	29.5	24.1
Tremblant Holdings LLC - Tremblant-Trident Capital L.P.	---	---	---	---	---	---	---	---	---	12.4
Urwick Capital Management - UC Financials Fund Limited	---	---	---	---	---	---	---	---	22.6	26.5
Van Eck Abs. Return Advisers - Hard Asset Partners, L.P.	9.8	8.2	11.9	11.2	11.8	11.7	11.9	10.7	12.8	11.4
Welch Fund Management - Welch Life Sciences Fund, L.P.	---	---	---	---	13.0	4.0	6.3	5.3	6.7	8.7
Welch Fund Management - Welch Technology Fund, L.P.	---	---	---	---	---	3.7	4.4	4.8	8.8	18.5
Wellington Hedge Mgmt - Bay Pond Partners, L.P. (n)	16.9	14.7	27.7	33.8	33.9	31.7	29.1	20.4	17.8	13.5
Wellington Hedge Mgmt - Hazelbrook Partners, L.P. (n)	---	---	---	13.2	6.3	5.9	9.3	4.6	11.1	16.3
Wellington Hedge Mgmt - North River Partners, L.P. (n)	19.7	20.1	19.5	20.3	13.1	11.8	12.9	10.2	10.6	12.2
Wellington Hedge Mgmt - Placer Creek Partners, L.P. (n)	---	---	---	---	---	---	---	24.5	26.9	23.3
Wellington Hedge Mgmt - Salthill Partners, L.P. (n)	---	---	---	---	10.7	11.3	19.7	8.1	6.2	8.5
Wellington Hedge Mgmt - Spindrift Partners, L.P. (n)	21.0	19.5	24.6	23.3	21.0	22.8	25.4	26.4	24.7	16.3
Wellington Hedge Mgmt - Terrebone Partners, L.P. (n)	---	---	---	---	---	---	19.2	23.4	21.1	22.4
Wellington Hedge Mgmt - Wolf Creek Partners, L.P. (n)	---	---	---	---	11.8	11.8	12.9	10.7	10.5	9.0
Westfield Capital Mgmt - Westfield Life Sciences Fund, L.P.	---	---	---	---	13.9	12.5	12.6	10.3	9.6	17.2
Zweig-DiMenna - Zweig-DiMenna Natural Resources, L.P.	---	---	---	---	---	---	---	---	23.7	22.0
Maximum	22.3	31.8	33.2	33.8	33.9	31.7	37.3	33.8	36.6	78.8
Median	15.2	15.3	16.1	12.6	10.2	9.7	13.2	10.4	11.3	13.3
Minimum	-0.1	-0.8	2.1	-5.2	-1.8	0.4	-0.6	0.5	-7.6	-15.3
Number of Funds	24	32	35	41	52	61	68	79	86	96
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 4

REPRESENTATIVE HEDGE FUND MANAGERS - GLOBAL LONG/SHORT

Annual Returns (%)

<u>Global Long/Short Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Altrinsic Global Advisors - Altrinsic Global Opportunities Fund	---	---	---	---	---	0.7	14.9	6.7	1.6	-3.9
Apex Cap. Mgmt - Apex-Guotai Junan Greater China Holdings Ltd.	---	---	---	---	---	14.2	-12.9	2.4	6.2	5.9
Atticus Capital, LLC - Atticus Global Advisors, Ltd.	---	---	75.1	37.4	13.4	-13.7	17.0	28.2	21.8	35.6
Avalon Global Asset Mgmt - Avalon Global Partners, LLC	10.0	41.4	162.8	-11.2	-9.3	-1.8	28.0	10.7	11.8	16.3
Axiom Int'l Investors - Axiom International Opportunity Fund, L.P.	---	---	133.8	4.9	-25.6	-0.2	90.6	18.0	37.2	17.2
Bain Capital, Inc. - Brookside Capital Partners Fund, L.P.	21.8	20.8	58.2	11.4	20.1	5.8	11.3	14.0	10.6	21.9
Bradshaw Asset Mgmt Limited - Starcross Capital Limited	---	---	---	---	---	---	61.0	18.6	-9.1	5.7
Cantillon Capital Mgmt - Cantillon World Ltd.	---	---	---	---	---	---	---	15.9	15.8	5.6
Chilton Invest. Co. - Chilton QP European Partners	---	---	---	16.8	-6.4	-7.6	4.8	7.0	17.4	16.1
Coler Capital Incorporated - Mercer Partners, L.P.	24.1	4.9	27.6	-5.2	1.4	-0.8	26.3	11.5	9.3	12.0
Dalton Investments - Pacific and General Investments, Inc.	---	---	98.1	11.6	23.8	-2.3	18.0	10.6	7.9	4.8
Delta Advisors, LLC - Prism Partners, L.P.	---	---	---	38.9	91.7	22.4	7.9	19.4	34.4	25.6
Dialectic Capital Mgmt - Dialectic Capital Partners, L.P.	---	---	---	---	---	---	---	21.8	28.8	79.4
Endeavour Capital Advisors - Endeavour Multi Sector Fund, L.P.	---	---	---	---	---	---	---	---	9.2	24.7
Epsilon Investment Mgmt - Epsilon Global Active Value Fund, L.P.	---	---	---	10.1	7.4	8.1	9.7	6.4	2.7	6.1
Fox Point Capital Management LLC - Fox Point Fund	16.7	-20.4	-6.9	21.8	22.8	24.8	3.0	9.5	15.3	6.0
Highside Capital Mgmt - Highside Capital Management, L.P.	---	---	---	---	---	---	---	13.5	10.6	7.7
Hillsdale Investment Mgmt - Canadian Aggressive Hedge Equity	---	---	---	33.4	6.4	-1.1	26.7	23.6	22.8	-8.9
Horizon Capital Management - Horizon Growth Fund N.V.	---	---	---	-38.0	16.1	51.8	174.4	-5.6	5.0	24.3
Hunter Global Investors L.P. - Hunter Global Investors Fund I	---	---	---	---	---	3.3	11.5	11.9	9.0	11.7
Kingdon Capital Management, LLC - Kingdon Associates	30.6	7.8	40.9	11.3	-5.6	-8.4	35.7	14.4	16.1	13.5
L - R General Partners, LLC - L - R Global Partners, L.P.	---	2.7	61.2	-12.3	6.2	29.6	59.3	37.8	25.2	-3.7
Lazard Asset Management - Global Opportunities, L.P.	21.8	10.7	49.7	24.4	-5.2	6.8	21.6	-0.4	5.4	9.8
Level Global Associates - Level Global Overseas Master Fund, Ltd.	---	---	---	---	---	---	---	10.4	15.6	7.2
Liberty Square Asset Management - Liberty Square Partners, L.P.	---	---	52.6	15.6	13.6	9.2	7.3	0.7	22.6	16.2
Lone Pine Capital, LLC - Lone Cypress, Ltd.	---	7.9	46.1	75.2	41.7	15.1	8.6	15.1	26.7	14.4
Lone Pine Capital, LLC - Lone Kauri, Ltd.	---	---	---	---	---	---	5.8	12.7	27.4	12.8
Maverick Capital - Maverick Fund	20.3	21.5	25.7	27.1	5.2	2.4	4.6	14.1	0.7	11.7
Meditor Cap. Mgmt - Meditor European Hedge Fund Limited	---	---	33.1	17.0	-10.0	35.4	38.6	26.7	-7.4	27.6
Millgate Partners - Millgate Partners, L.P.	---	4.4	9.6	9.0	27.1	9.8	26.0	13.6	0.2	7.8
New Vernon Capital LLC - New Vernon India Fund	---	---	---	---	---	---	---	---	39.9	34.5
Noble Partners, L.P. - Gyrfalcon QP Fund, L.P.	---	---	---	---	---	---	---	---	---	-2.7
Maximum	87.8	41.4	162.8	89.1	91.7	51.8	174.4	42.0	49.7	79.4
Median	21.8	8.6	47.9	11.6	9.9	5.8	18.0	11.9	14.6	12.8
Minimum	5.0	-20.4	-6.9	-38.0	-25.6	-15.3	-12.9	-5.6	-9.1	-8.9
Number of Funds	12	15	21	26	29	34	36	42	44	48
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 4 (continued)

REPRESENTATIVE HEDGE FUND MANAGERS - GLOBAL LONG/SHORT

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Global Long/Short Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Altrinsic Global Advisors - Altrinsic Global Opportunities Fund	---	---	---	---	---	3.8	4.6	1.4	-1.2	-3.9
Apex Cap. Mgmt - Apex-Guotai Junan Greater China Holdings Ltd.	---	---	---	---	---	2.7	0.1	4.8	6.0	5.9
Atticus Capital, LLC - Atticus Global Advisors, Ltd.	---	---	24.7	18.8	15.9	16.4	25.5	28.4	28.5	35.6
Avalon Global Asset Mgmt - Avalon Global Partners, LLC	19.5	20.6	18.3	5.5	8.6	12.6	16.5	12.9	14.0	16.3
Axiom Int'l Investors - Axiom International Opportunity Fund, L.P.	---	---	26.6	15.9	17.9	29.3	37.9	23.8	26.8	17.2
Bain Capital, Inc. - Brookside Capital Partners Fund, L.P.	18.9	18.6	18.3	13.5	13.8	12.6	14.4	15.4	16.2	21.9
Bradshaw Asset Mgmt Limited - Starcross Capital Limited	---	---	---	---	---	---	16.4	4.4	-2.0	5.7
Cantillon Capital Mgmt - Cantillon World Ltd.	---	---	---	---	---	---	---	12.3	10.6	5.6
Chilton Invest. Co. - Chilton QP European Partners	---	---	---	6.4	4.8	7.1	11.2	13.4	16.7	16.1
Coler Capital Incorporated - Mercer Partners, L.P.	10.6	9.2	9.7	7.4	9.6	11.3	14.6	10.9	10.6	12.0
Dalton Investments - Pacific and General Investments, Inc.	---	---	---	31.7	31.2	21.5	21.4	26.1	29.6	25.4
Delta Advisors, LLC - Prism Partners, L.P.	---	---	---	32.3	31.2	21.6	21.4	26.3	29.9	25.6
Dialectic Capital Mgmt - Dialectic Capital Partners, L.P.	---	---	---	---	---	---	---	41.2	52.0	79.4
Endeavour Capital Advisors - Endeavour Multi Sector Fund, L.P.	---	---	---	---	---	---	---	---	16.7	24.7
Epsilon Investment Mgmt - Epsilon Global Active Value Fund, L.P.	---	---	---	7.2	6.7	6.6	6.2	5.0	4.4	6.1
Fox Point Capital Management LLC - Fox Point Fund	8.3	7.4	11.5	14.5	13.3	11.5	8.4	10.2	10.6	6.0
Highside Capital Mgmt - Highside Capital Management, L.P.	---	---	---	---	---	---	---	10.6	9.1	7.7
Hillsdale Investment Mgmt - Canadian Aggressive Hedge Equity	---	---	---	13.7	10.7	11.6	15.0	11.4	5.8	-8.9
Horizon Capital Management - Horizon Growth Fund N.V.	---	---	---	20.5	34.6	38.7	35.6	7.2	14.2	24.3
Hunter Global Investors L.P. - Hunter Global Investors Fund I	---	---	---	---	---	9.4	11.0	10.9	10.3	11.7
Kingdon Capital Management, LLC - Kingdon Associates	14.6	12.9	13.6	10.2	10.0	13.4	19.6	14.6	14.8	13.5
L - R General Partners, LLC - L - R Global Partners, L.P.	---	20.3	22.7	18.0	24.0	28.0	27.5	18.4	9.8	-3.7
Lazard Asset Management - Global Opportunities, L.P.	13.6	12.7	12.9	8.5	6.0	8.4	8.8	4.9	7.6	9.8
Level Global Associates - Level Global Overseas Master Fund, Ltd.	---	---	---	---	---	---	---	11.0	11.3	7.2
Liberty Square Asset Management - Liberty Square Partners, L.P.	---	---	16.4	12.0	11.4	11.0	11.4	12.8	19.4	16.2
Lone Pine Capital, LLC - Lone Cypress, Ltd.	---	26.3	28.8	26.5	19.8	15.8	16.0	18.6	20.4	14.4
Lone Pine Capital, LLC - Lone Kauri, Ltd.	---	---	---	---	---	---	14.4	17.4	19.9	12.8
Maverick Capital - Maverick Fund	12.9	12.2	11.0	9.1	6.4	6.6	7.7	8.7	6.1	11.7
Meditor Cap. Mgmt - Meditor European Hedge Fund Limited	---	---	18.7	16.8	16.7	23.0	20.0	14.4	8.7	27.6
Millgate Partners - Millgate Partners, L.P.	---	11.6	12.6	13.0	13.7	11.2	11.5	7.0	3.9	7.8
New Vernon Capital LLC - New Vernon India Fund	---	---	---	---	---	---	---	---	37.2	34.5
Noble Partners, L.P. - Gyrfalcon QP Fund, L.P.	---	---	---	---	---	---	---	---	---	-2.7
Maximum	19.5	26.3	28.8	32.3	34.6	38.7	43.9	43.5	52.0	79.4
Median	14.6	13.3	16.9	13.5	14.2	12.6	15.9	12.8	14.2	12.9
Minimum	8.3	7.4	9.5	5.5	3.3	2.7	0.1	1.4	-2.0	-8.9
Number of Funds	12	15	21	26	29	34	36	42	44	48
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 4 (continued)

REPRESENTATIVE HEDGE FUND MANAGERS - GLOBAL LONG/SHORT

Annual Returns (%)

<u>Global Long/Short Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Optima Fund Management - The Platinum Fund Limited	5.0	9.3	51.0	11.7	12.2	10.1	37.0	11.3	10.8	10.1
Owl Creek Asset Mgmt - Owl Creek Asset Mgmt	---	---	---	---	---	---	48.8	26.2	3.2	20.6
Partner Fund Management - Partner Offshore Fund, Ltd.	---	---	---	---	---	---	---	---	9.0	10.7
Passport Management, LLC - Global Strategy	---	---	---	---	7.0	22.1	47.3	11.9	22.9	13.5
Pequot Capital Mgmt, Inc. - Pequot Partners Fund, L.P.	---	---	---	---	15.5	-1.3	7.1	0.5	6.6	1.1
PM Capital Ltd. - Absolute Performance Fund	---	---	27.1	6.1	-1.5	-15.3	80.7	14.3	4.4	26.0
Quant Asset Management Pte Ltd.- QAM Global Equities Fund Ltd.	---	---	---	---	---	---	---	---	27.9	24.6
Reach Capital Mgmt - International Long/Short Equity Hedge Fund	---	---	---	---	---	-2.7	25.8	10.0	15.6	12.9
Savannah-Baltimore Partners, L.P. - Savannah-Baltimore L.P.	---	---	---	---	---	---	---	---	---	11.0
Shumway Capital Partners LLC - SCP Equity Funds	---	---	---	---	---	---	---	12.3	12.5	10.2
Sierra Global Management - Sierra Europe Offshore Ltd.	23.7	37.1	39.1	18.6	0.2	-12.6	12.9	3.8	9.5	8.0
Sirios Capital Management - Sirios Europe Partners, L.P.	---	---	---	---	---	---	---	---	---	13.3
Sloane Robinson Investment Mgmt - SR Global Fund (Int'l)	87.8	-17.0	89.9	-34.4	16.9	-8.0	66.9	3.3	36.1	20.7
Sloane Robinson Investment Mgmt - SR Phoenicia	---	---	---	---	---	6.1	58.0	35.2	45.3	38.2
Standard Pacific Capital - Standard Global Equity Partners, L.P.	14.3	12.8	19.4	27.7	7.7	1.7	-1.5	7.8	4.4	11.7
The Black Ant Group LLP - The Black Ant Fund Limited	---	---	---	---	---	---	---	---	---	14.9
TCI Fund Mgmt - The Children's Investment Fund	---	---	---	---	---	---	---	42.0	49.7	39.0
Tudor Investment Corp. - Tudor BVI Global Fund Ltd.	21.9	14.1	32.0	6.8	22.3	21.1	16.8	11.6	14.6	11.6
Viking Global Investors - Viking Global Equities III Ltd.	---	---	---	89.1	35.1	5.7	-1.1	8.3	21.4	12.3
Maximum	87.8	41.4	162.8	89.1	91.7	51.8	174.4	42.0	49.7	79.4
Median	21.8	8.6	47.9	11.6	9.9	5.8	18.0	11.9	14.6	12.8
Minimum	5.0	-20.4	-6.9	-38.0	-25.6	-15.3	-12.9	-5.6	-9.1	-8.9
Number of Funds	12	15	21	26	29	34	36	42	44	48
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 4 (continued)

REPRESENTATIVE HEDGE FUND MANAGERS - GLOBAL LONG/SHORT

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Global Long/Short Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Optima Fund Management - The Platinum Fund Limited	16.1	17.4	18.4	14.4	14.9	15.4	16.8	10.7	10.4	10.1
Owl Creek Asset Mgmt - Owl Creek Asset Mgmt	---	---	---	---	---	---	23.7	16.3	11.6	20.6
Partner Fund Management - Partner Offshore Fund, Ltd.	---	---	---	---	---	---	---	---	9.8	10.7
Passport Management, LLC - Global Strategy	---	---	---	---	20.1	22.9	23.1	16.0	18.1	13.5
Pequot Capital Mgmt, Inc. - Pequot Partners Fund, L.P.	---	---	---	---	4.7	2.7	3.8	2.7	3.8	1.1
PM Capital Ltd. - Absolute Performance Fund	---	---	15.0	13.3	14.6	18.1	28.4	14.5	14.7	26.0
Quant Asset Management Pte Ltd.- QAM Global Equities Fund Ltd.	---	---	---	---	---	---	---	---	26.2	24.6
Reach Capital Mgmt - International Long/Short Equity Hedge Fund	---	---	---	---	---	11.9	15.9	12.8	14.2	12.9
Savannah-Baltimore Partners, L.P. - Savannah-Baltimore L.P.	---	---	---	---	---	---	---	---	---	11.0
Shumway Capital Partners LLC - SCP Equity Funds	---	---	---	---	---	---	---	11.7	11.3	10.2
Sierra Global Management - Sierra Europe Offshore Ltd.	13.0	11.9	9.1	5.3	3.3	3.9	8.5	7.1	8.7	7.9
Sirios Capital Management - Sirios Europe Partners, L.P.	---	---	---	---	---	---	---	---	---	13.3
Sloane Robinson Investment Mgmt - SR Global Fund (Int'l)	19.5	13.6	18.1	10.4	20.4	21.1	29.7	19.3	28.2	20.7
Sloane Robinson Investment Mgmt - SR Phoenicia	---	---	---	---	---	35.4	43.9	39.5	41.7	38.2
Standard Pacific Capital - Standard Global Equity Partners, L.P.	10.3	9.8	9.5	8.1	5.2	4.7	5.5	7.9	8.0	11.7
The Black Ant Group LLP - The Black Ant Fund Limited	---	---	---	---	---	---	---	---	---	14.9
TCI Fund Mgmt - The Children's Investment Fund	---	---	---	---	---	---	---	43.5	44.2	39.0
Tudor Investment Corp. - Tudor BVI Global Fund Ltd.	17.1	16.6	16.9	14.9	16.3	15.1	13.6	12.6	13.1	11.6
Viking Global Investors - Viking Global Equities III Ltd.	---	---	---	21.6	13.0	9.1	9.9	13.9	16.7	12.3
Maximum	19.5	26.3	28.8	32.3	34.6	38.7	43.9	43.5	52.0	79.4
Median	14.6	13.3	16.9	13.5	14.2	12.6	15.9	12.8	14.2	12.9
Minimum	8.3	7.4	9.5	5.5	3.3	2.7	0.1	1.4	-2.0	-8.9
Number of Funds	12	15	21	26	29	34	36	42	44	48
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 5

REPRESENTATIVE HEDGE FUND MANAGERS - MARKET-NEUTRAL

Annual Returns (%)

<u>Market-Neutral Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Advanced Investment Partners - Long/Short Market Neutral	---	---	---	---	---	4.4	-3.3	-0.2	9.4	1.3
Analytic Investors - U.S. Long/Short Market Neutral (n)	---	---	---	8.0	6.5	1.2	3.4	1.3	4.2	5.2
Ascend Capital Ltd. Partnership - Ascend U.S Market-Neutral Fund	---	---	---	---	---	---	---	2.9	13.8	6.9
AXA Rosenberg Inv. Mgmt - U.S. Large/Mid-Cap Long/Short (n)	---	---	7.2	-2.0	12.4	13.5	-6.7	5.6	9.0	7.6
AXA Rosenberg Inv. Mgmt - U.S. Value Long/Short (n)	13.2	3.9	-13.3	0.2	11.9	25.9	-6.3	2.7	7.2	2.2
Barclays Global Inv. Ltd.- UK Equity Market Neutral Fund I	---	---	---	---	8.0	25.0	11.1	18.9	-6.7	15.7
Barclays Global Inv. Ltd.- UK Equity Market Neutral Fund II	---	---	---	---	---	---	7.4	25.2	-6.9	12.4
Bogle Inv. Mgmt - Bogle Investment Market-Neutral Composite	---	---	---	28.3	1.8	16.6	17.3	2.0	11.8	10.2
Boston Company Asset Mgmt - Market Neutral Equity Strategy	15.1	2.8	-10.9	15.3	3.0	0.8	5.8	9.5	9.1	10.9
Boston Partners - Long/Short Equity L.P. (n)	---	1.5	-13.7	43.5	20.6	-1.6	-1.5	6.7	14.1	13.5
Bryn Mawr Capital Management - Bryn Mawr Capital, L.P.	15.8	25.8	7.5	22.4	11.8	1.4	8.0	7.3	6.9	11.8
Clover Partners, L.P. - Shamrock Market Neutral Fund, L.P.	---	---	---	---	---	---	5.7	4.9	4.5	3.8
DLIBJ Asset Mgmt, USA - QLS (Quantitative Long Short) (n)	18.8	-0.1	-8.1	-5.1	5.6	19.3	-10.6	-0.4	-3.3	3.9
Enhanced Investment Products Limited - E.I.P. Overlay Fund	---	---	---	---	---	---	3.3	6.7	3.1	11.6
First Quadrant - European Market Neutral (n)	---	---	---	---	11.8	12.0	0.1	6.4	5.7	4.7
First Quadrant - U.S. Market Neutral (n)	15.9	-0.3	0.8	-0.7	5.0	6.0	-0.2	1.6	-0.1	5.9
Franklin Portfolio Associates - Market Neutral Absolute Return (n)	---	-1.3	0.9	10.3	12.3	8.1	0.6	3.6	7.8	3.4
Freeman Associates Inv. Mgmt - Long/Short - Market Neutral (n)	---	5.6	-1.8	-1.1	24.2	12.4	0.6	1.7	2.9	0.9
Grantham, Mayo, Van Otterloo & Company - GMO Market Neutral	---	---	---	---	5.2	8.5	-2.5	1.6	-5.1	5.2
Headstart Advisers Ltd. - Headstart Global Fund Ltd.	---	---	28.0	20.9	6.4	3.0	10.7	14.9	22.8	24.1
Hillsdale Investment Management - Canadian Market Neutral	---	---	---	---	-4.2	-6.4	26.1	13.6	7.2	-1.3
INVESCO - INVESCO Equitized US Market Neutral (n)	39.2	38.0	26.0	-12.3	-19.8	-19.7	25.3	15.0	7.8	26.0
Martingale Asset Management - Equity Market Neutral (n)	13.1	-3.9	-12.7	3.2	13.1	9.5	4.3	1.3	-1.8	5.6
Mellon Capital Management - Long/Short Alpha Strategy (n)	---	---	---	---	---	---	1.7	6.2	4.6	12.6
Mellon Equity Associates - Market Neutral Equitized Strategy	---	---	---	---	---	---	29.6	7.3	3.8	13.4
Numeric Investors - U.S. Market Neutral Long/Short (n)	13.3	-0.8	-3.3	11.6	7.0	5.2	-1.1	2.8	-3.7	10.3
Polar Cap. Partners - Polar Capital Market Neutral Absolute Return	---	---	---	---	---	15.3	11.1	-1.2	14.4	6.3
Precept Capital Mgmt - The Precept Market Neutral Fund, L.P.	---	---	---	---	---	---	19.0	-2.4	12.3	6.9
Quantitative Mgmt Associates - Long-Short Market Neutral (n)	---	---	---	---	---	---	---	---	2.1	2.1
Salus Capital Management, Inc. - Salus Equity Market Neutral Fund	14.5	4.1	-2.6	1.0	7.3	7.0	1.1	-0.3	4.7	10.4
Shenandoah Asset Mgmt - Shenandoah Market Neutral (n)	---	---	---	---	-2.6	3.5	-0.9	6.6	-0.7	1.9
SHK Fund Management Ltd. - SHK Quant Asia Fund	---	---	---	---	---	---	---	---	---	5.8
Maximum	39.2	38.0	26.0	43.5	24.2	25.9	29.6	25.2	14.4	26.0
Median	14.5	3.2	0.7	3.3	6.5	6.1	1.1	2.8	4.6	5.9
Minimum	6.5	-3.9	-13.7	-12.3	-19.8	-19.7	-10.6	-2.7	-6.9	-1.3
Number of Funds	13	17	18	20	25	27	33	34	35	37
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 5 (continued)

REPRESENTATIVE HEDGE FUND MANAGERS - MARKET-NEUTRAL

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

<u>Market-Neutral Funds</u>	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Advanced Investment Partners - Long/Short Market Neutral	---	---	---	---	---	2.2	1.7	3.4	5.3	1.3
Analytic Investors - U.S. Long/Short Market Neutral (n)	---	---	---	4.2	3.6	3.0	3.5	3.5	4.7	5.2
Ascend Capital Ltd.Partnership - Ascend U.S Market-Neutral Fund	---	---	---	---	---	---	---	7.8	10.3	6.9
AXA Rosenberg Inv. Mgmt - U.S. Large/Mid-Cap Long/Short (n)	---	---	5.6	5.4	6.7	5.6	3.7	7.4	8.3	7.6
AXA Rosenberg Inv. Mgmt - U.S. Value Long/Short (n)	4.3	3.3	3.2	5.8	6.8	5.8	1.3	4.0	4.7	2.2
Barclays Global Inv. Ltd.- UK Equity Market Neutral Fund I	---	---	---	---	11.5	12.3	9.3	8.7	3.9	15.7
Barclays Global Inv. Ltd.- UK Equity Market Neutral Fund II	---	---	---	---	---	---	8.9	9.4	2.3	12.4
Bogle Inv. Mgmt - Bogle Investment Market-Neutral Composite	---	---	---	12.2	9.8	11.4	10.2	7.9	11.0	10.2
Boston Company Asset Mgmt - Market Neutral Equity Strategy	5.8	4.9	5.1	7.6	6.4	7.1	8.8	9.8	10.0	10.9
Boston Partners - Long/Short Equity L.P. (n)	---	8.2	9.0	12.7	8.3	6.0	8.0	11.4	13.8	13.5
Bryn Mawr Capital Management - Bryn Mawr Capital, L.P.	11.6	11.2	9.5	9.8	7.8	7.0	8.5	8.6	9.3	11.8
Clover Partners, L.P. - Shamrock Market Neutral Fund, L.P.	---	---	---	---	---	---	4.7	4.4	4.2	3.8
DLIBJ Asset Mgmt, USA - QLS (Quantitative Long Short) (n)	1.6	-0.2	-0.2	1.0	2.0	1.3	-2.7	0.0	0.2	3.9
Enhanced Investment Products Limited - E.I.P. Overlay Fund	---	---	---	---	---	---	6.1	7.1	7.3	11.6
First Quadrant - European Market Neutral (n)	---	---	---	---	6.7	5.7	4.2	5.6	5.2	4.7
First Quadrant - U.S. Market Neutral (n)	3.3	2.0	2.2	2.4	3.0	2.6	1.8	2.4	2.8	5.9
Franklin Portfolio Associates - Market Neutral Absolute Return (n)	---	5.0	5.8	6.5	5.9	4.7	3.8	4.9	5.6	3.4
Freeman Associates Inv. Mgmt - Long/Short - Market Neutral (n)	---	4.8	4.7	5.6	6.8	3.6	1.5	1.8	1.9	0.9
Grantham, Mayo, Van Otterloo & Company - GMO Market Neutral	---	---	---	---	2.0	1.4	-0.3	0.5	-0.1	5.2
Headstart Advisers Ltd. - Headstart Global Fund Ltd.	---	---	16.0	14.4	13.4	14.8	18.0	20.5	23.5	24.1
Hillsdale Investment Management - Canadian Market Neutral	---	---	---	---	5.2	7.2	10.9	6.3	2.8	-1.3
INVESCO - INVESCO Equitized US Market Neutral (n)	10.4	7.5	4.2	1.4	3.9	9.5	18.3	16.0	16.5	26.0
Martingale Asset Management - Equity Market Neutral (n)	2.9	1.8	2.5	4.9	5.2	3.7	2.3	1.7	1.8	5.6
Mellon Capital Management - Long/Short Alpha Strategy (n)	---	---	---	---	---	---	6.2	7.7	8.5	12.6
Mellon Equity Associates - Market Neutral Equitized Strategy	---	---	---	---	---	---	13.1	8.1	8.5	13.4
Numeric Investors - U.S. Market Neutral Long/Short (n)	3.9	3.0	3.4	4.4	3.3	2.6	1.9	2.9	3.0	10.3
Polar Cap. Partners - Polar Capital Market Neutral Absolute Return	---	---	---	---	---	9.0	7.5	6.3	10.3	6.3
Precept Capital Mgmt - The Precept Market Neutral Fund, L.P.	---	---	---	---	---	---	8.7	5.4	9.6	6.9
Quantitative Mgmt Associates - Long-Short Market Neutral (n)	---	---	---	---	---	---	---	---	2.1	2.1
Salus Capital Management, Inc. - Salus Equity Market Neutral Fund	4.6	3.5	3.5	4.4	5.0	4.5	3.9	4.8	7.5	10.4
Shenandoah Asset Mgmt - Shenandoah Market Neutral (n)	---	---	---	---	1.3	2.1	1.7	2.6	0.6	1.9
SHK Fund Management Ltd. - SHK Quant Asia Fund	---	---	---	---	---	---	---	---	---	5.8
Maximum	11.6	11.2	16.0	14.4	13.4	14.8	18.3	20.5	23.5	26.0
Median	4.6	4.8	4.2	4.9	5.1	4.1	3.8	4.9	5.1	6.0
Minimum	1.6	-0.2	-0.2	0.2	0.4	0.7	-2.7	0.0	-0.1	-1.3
Number of Funds	13	17	19	21	26	28	34	35	36	38
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 5 (continued)

REPRESENTATIVE HEDGE FUND MANAGERS - MARKET-NEUTRAL

Annual Returns (%)

<u>Market-Neutral Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
SSI Investment Management - Blended Market-Neutral (n)	8.2	3.2	5.2	10.9	8.2	8.3	3.7	-0.2	1.5	2.8
SSI Investment Mgmt - Long/Short Equity Market-Neutral (n)	6.5	15.1	7.1	13.6	4.3	6.1	0.2	-2.7	5.0	-1.1
State Street Global Advisors - U.S. Market Neutral (n)	12.1	16.5	1.2	-5.6	6.3	4.4	-1.3	3.3	1.2	9.1
Stux Capital Management, LLC - LRE Fund, L.P.	---	---	---	---	---	---	---	---	---	6.1
Symphony Asset Management LLC - Overture Fund, L.P.	14.5	9.2	17.0	3.3	-0.4	3.0	-0.1	1.1	7.4	5.8
Zacks Investment Management - Market-Neutral (n)	---	3.1	0.7	-0.6	-1.2	-4.3	1.1	0.0	2.9	3.9
Maximum	39.2	38.0	26.0	43.5	24.2	25.9	29.6	25.2	14.4	26.0
Median	14.5	3.2	0.7	3.3	6.5	6.1	1.1	2.8	4.6	5.9
Minimum	6.5	-3.9	-13.7	-12.3	-19.8	-19.7	-10.6	-2.7	-6.9	-1.3
Number of Funds	13	17	18	20	25	27	33	34	35	37
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 5 (continued)

REPRESENTATIVE HEDGE FUND MANAGERS - MARKET-NEUTRAL

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

<u>Market-Neutral Funds</u>	<u>10 Yrs</u>	<u>9 Yrs</u>	<u>8 Yrs</u>	<u>7 Yrs</u>	<u>6 Yrs</u>	<u>5 Yrs</u>	<u>4 Yrs</u>	<u>3 Yrs</u>	<u>2 Yrs</u>	<u>1 Yr</u>
SSI Investment Management - Blended Market-Neutral (n)	5.1	4.8	5.0	5.0	4.0	3.2	1.9	1.4	2.2	2.8
SSI Investment Mgmt - Long/Short Equity Market-Neutral (n)	5.3	5.1	3.9	3.5	1.9	1.4	0.3	0.4	1.9	-1.1
State Street Global Advisors - U.S. Market Neutral (n)	4.6	3.7	2.3	2.4	3.8	3.3	3.0	4.5	5.1	9.1
Stux Capital Management, LLC - LRE Fund, L.P.	---	---	---	---	---	---	---	---	---	6.1
Symphony Asset Management LLC - Overture Fund, L.P.	5.9	5.0	4.5	2.9	2.8	3.4	3.5	4.7	6.6	5.8
Zacks Investment Management - Market-Neutral (n)	---	0.6	0.3	0.2	0.4	0.7	2.0	2.3	3.4	3.9
Maximum	11.6	11.2	16.0	14.4	13.4	14.8	18.3	20.5	23.5	26.0
Median	4.6	4.8	4.2	4.9	5.1	4.1	3.8	4.9	5.1	6.0
Minimum	1.6	-0.2	-0.2	0.2	0.4	0.7	-2.7	0.0	-0.1	-1.3
Number of Funds	13	17	18	20	25	27	33	34	35	37
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 6

REPRESENTATIVE LONG/SHORT FUNDS-OF-FUNDS

Annual Returns (%)

<u>Long/Short Funds-of-Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
ABS Investment Mgmt LLC - ABS Offshore SPC - Equity Portfolio	---	---	---	---	---	---	10.8	6.0	10.2	9.7
ABS Investment Mgmt LLC - ABS Offshore SPC - Global Portfolio	---	---	---	---	---	---	11.9	4.5	11.5	15.7
Adair Capital LLC - Adair Select U.S. Equity Fund Ltd.	---	---	---	---	13.2	1.0	10.0	9.1	10.4	13.1
Aetos Capital, LLC - Aetos Capital Long/Short Strategies Fund	---	---	---	---	---	---	8.9	6.0	8.4	9.6
Aetos Capital, LLC - Aetos Capital Long/Short Strategies Portfolio	---	---	---	---	---	---	8.9	6.0	8.3	8.1
Allianz HF Partners - Blue Eagle Port. - Long/Short Equity	---	---	---	---	---	1.7	7.1	6.8	13.3	10.6
Archstone Partners (The) - Archstone Equity Strategies Fund, L.P.	---	---	---	---	---	---	---	---	10.5	11.6
Barlow Partners - Barlow Partners Fundamental Managers Fund	21.8	0.0	41.1	20.0	2.6	2.3	17.6	7.9	11.2	10.8
Barlow Partners - Barlow Partners Group Trust	17.5	-1.0	43.6	18.5	-1.1	-2.3	14.4	8.6	10.0	12.6
Barlow Partners - Barlow Partners Offshore Ltd.	---	---	---	14.0	-0.4	-0.6	13.2	9.2	11.2	11.0
Berens Capital Management, LLC - Berens Global Value Fund, L.P.	---	---	---	---	---	---	---	---	24.1	23.3
Common Sense Investment Mgmt - Common Sense Investors, L.P.	24.7	11.0	37.0	17.7	11.3	4.1	21.0	6.6	11.1	7.3
Common Sense Investment Mgmt - Common Sense Partners, L.P.	16.7	7.8	18.6	32.7	8.1	12.4	8.6	1.4	7.2	3.4
Commonfund Group - Commonfund Hedged Investors Company	---	---	---	---	-1.3	0.4	12.6	6.7	10.5	8.3
Commonfund Group - Multi-Strategy Global Hedged Partners LLC	---	---	---	---	1.1	-2.9	11.9	6.5	15.7	11.2
Coronation Int'l Ltd. - Coronation Global Equity Alt. Strategy Fund	44.1	-2.5	45.9	-4.9	-1.2	0.2	11.3	13.9	4.5	8.6
Cross Shore Capital Mgmt, LLC - Cross Shore QP Partners, L.P.	---	---	---	---	---	---	---	11.2	13.7	12.5
Fischer & Co. LLC - Fischer Enterprise Fund, L.P.	---	---	---	---	---	---	13.6	12.1	9.0	12.0
Forester Capital, LLC - Forester Opportunities, L.P.	---	---	---	---	---	---	---	7.4	10.0	11.7
Forester Capital, LLC - Forester Partners, L.P.	---	---	---	---	19.4	5.7	9.0	10.2	13.0	12.5
Goldman Sachs Princeton LLC - GS Global Equity Long/Short	---	---	---	---	---	-0.5	11.5	7.5	8.5	9.4
Grosvenor Capital Mgmt - U.S. Hedged Equity Specialists Fund	22.0	-9.0	18.9	10.5	9.9	0.8	11.9	10.0	7.2	9.3
Ivy Asset Management Corp. - Ivy Rising Stars Fund, L.P.	17.8	3.2	42.0	13.8	7.9	-3.4	16.0	9.3	8.6	13.4
K2 Advisors - K2 Long Short Fund LLC	---	---	---	---	---	---	---	8.2	9.2	7.6
Kobren Insight Management - Alumni Partners, L.P. (n)	---	---	---	---	---	3.6	14.0	7.3	12.6	8.7
Lehman Brothers Alt. Inv. Mgmt - LB Long/Short Master Fund	---	---	---	---	---	-3.5	7.9	7.3	7.9	9.0
Lone Pine Capital, LLC - Lone Juniper, L.P.	---	---	---	---	13.2	3.4	11.4	11.0	14.7	10.9
Lyster Watson Mgmt, Inc. - Lyster Watson Equity Partners I, L.P.	18.1	0.2	33.3	2.0	4.4	-6.4	23.4	7.3	3.6	7.0
Mercantile Cap. Advisors - Mercantile Long Short Manager Fund	---	---	---	---	---	---	8.5	7.6	8.4	11.4
New Providence Asset Mgmt, LLC - New Providence Fund, Ltd.	11.1	6.9	42.6	8.5	1.2	-5.5	17.9	5.3	4.6	9.8
Optima Fund Management - The Optima Fund, L.P.	25.5	6.4	37.2	18.5	1.4	0.4	11.2	8.4	11.0	9.2
Pointer Management Company - Pointer, L.P.	30.8	9.5	23.0	14.0	9.2	5.1	9.0	8.5	10.5	10.7
Maximum	44.1	20.6	56.6	32.7	19.4	12.4	23.4	13.9	24.1	23.3
Median	21.3	3.2	38.9	14.0	5.2	0.4	11.6	7.5	10.3	11.0
Minimum	11.1	-9.7	18.6	-4.9	-1.3	-11.3	7.1	1.4	2.9	3.4
Number of Funds	14	15	15	17	22	29	36	39	41	41
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 6 (continued)

REPRESENTATIVE LONG SHORT FUNDS-OF-FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Long/Short Funds-of-Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
ABS Investment Mgmt LLC - ABS Offshore SPC - Equity Portfolio	---	---	---	---	---	---	9.1	8.6	9.9	9.7
ABS Investment Mgmt LLC - ABS Offshore SPC - Global Portfolio	---	---	---	---	---	---	10.8	10.4	13.6	15.7
Adair Capital LLC - Adair Select U.S. Equity Fund Ltd.	---	---	---	---	9.4	8.6	10.6	10.8	11.7	13.1
Aetos Capital, LLC - Aetos Capital Long/Short Strategies Fund	---	---	---	---	---	---	8.2	8.0	9.0	9.6
Aetos Capital, LLC - Aetos Capital Long/Short Strategies Portfolio	---	---	---	---	---	---	7.8	7.5	8.2	8.1
Allianz HF Partners - Blue Eagle Port. - Long/Short Equity	---	---	---	---	---	7.8	9.4	10.2	11.9	10.6
Archstone Partners (The) - Archstone Equity Strategies Fund, L.P.	---	---	---	---	---	---	---	---	11.1	11.6
Barlow Partners - Barlow Partners Fundamental Managers Fund	13.0	12.0	13.6	10.2	8.6	9.8	11.8	9.9	11.0	10.8
Barlow Partners - Barlow Partners Group Trust	11.4	10.7	12.3	8.4	6.8	8.5	11.4	10.4	11.3	12.6
Barlow Partners - Barlow Partners Offshore Ltd.	---	---	---	8.1	7.1	8.7	11.1	10.5	11.1	11.0
Berens Capital Management, LLC - Berens Global Value Fund, L.P.	---	---	---	---	---	---	---	---	23.7	23.3
Common Sense Investment Mgmt - Common Sense Investors, L.P.	14.8	13.7	14.1	11.1	10.1	9.8	11.3	8.3	9.2	7.3
Common Sense Investment Mgmt - Common Sense Partners, L.P.	11.4	10.8	11.2	10.1	6.8	6.5	5.1	4.0	5.3	3.4
Commonfund Group - Commonfund Hedged Investors Company	---	---	---	---	6.1	7.6	9.5	8.5	9.4	8.3
Commonfund Group - Multi-Strategy Global Hedged Partners LLC	---	---	---	---	7.0	8.3	11.3	11.0	13.4	11.2
Coronation Int'l Ltd. - Coronation Global Equity Alt. Strategy Fund	10.7	7.6	8.9	4.4	6.1	7.6	9.5	8.9	6.5	8.6
Cross Shore Capital Mgmt, LLC - Cross Shore QP Partners, L.P.	---	---	---	---	---	---	---	12.5	13.1	12.5
Fischer & Co. LLC - Fischer Enterprise Fund, L.P.	---	---	---	---	---	---	11.7	11.0	10.5	12.0
Forester Capital, LLC - Forester Opportunities, L.P.	---	---	---	---	---	---	---	9.7	10.8	11.7
Forester Capital, LLC - Forester Partners, L.P.	---	---	---	---	11.5	10.0	11.2	11.9	12.8	12.5
Goldman Sachs Princeton LLC - GS Global Equity Long/Short	---	---	---	---	---	7.2	9.2	8.4	8.9	9.3
Grosvenor Capital Mgmt - U.S. Hedged Equity Specialists Fund	8.8	7.4	9.7	8.5	8.1	7.8	9.6	8.8	8.2	9.3
Ivy Asset Management Corp. - Ivy Rising Stars Fund, L.P.	12.3	11.7	12.8	9.2	8.5	8.6	11.8	10.4	11.0	13.4
K2 Advisors - K2 Long Short Fund LLC	---	---	---	---	---	---	---	8.3	8.4	7.6
Kobren Insight Management - Alumni Partners, L.P. (n)	---	---	---	---	---	9.2	10.6	9.5	10.6	8.7
Lehman Brothers Alt. Inv. Mgmt - LB Long/Short Master Fund	---	---	---	---	---	5.6	8.0	8.0	8.4	9.0
Lone Pine Capital, LLC - Lone Juniper, L.P.	---	---	---	---	10.7	10.2	12.0	12.2	12.8	10.9
Lyster Watson Mgmt, Inc. - Lyster Watson Equity Partners I, L.P.	8.7	7.7	8.7	5.6	6.2	6.5	10.1	5.9	5.3	7.0
Mercantile Cap. Advisors - Mercantile Long Short Manager Fund	---	---	---	---	---	---	9.0	9.2	9.9	11.4
New Providence Asset Mgmt, LLC - New Providence Fund, Ltd.	9.6	9.4	9.8	5.7	5.3	6.1	9.3	6.5	7.1	9.8
Optima Fund Management - The Optima Fund, L.P.	12.4	11.1	11.7	8.4	6.8	8.0	9.9	9.5	10.1	9.1
Pointer Management Company - Pointer, L.P.	12.8	11.0	11.1	9.5	8.8	8.7	9.7	9.9	10.6	10.7
Maximum	14.8	13.7	14.2	11.1	11.5	12.1	15.2	12.8	23.7	23.3
Median	11.9	10.8	11.7	8.4	7.1	8.1	10.1	9.5	10.6	11.0
Minimum	8.7	7.0	5.4	2.6	2.9	3.1	5.1	4.0	4.5	3.4
Number of Funds	14	15	15	17	22	29	36	39	41	41
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 6 (continued)

REPRESENTATIVE LONG/SHORT FUNDS-OF-FUNDS

Annual Returns (%)

<u>Long/Short Funds-of-Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Private Advisors - Private Advisors Hedged Equity Fund QP, L.P.	---	---	---	---	---	0.8	10.2	9.6	10.6	13.0
Sire Management Partners - Sire Partners, L.P.	20.8	2.6	38.9	18.8	9.8	4.6	14.6	5.3	12.6	12.6
Three Rivers Equity Mgmt, Inc. - Three Rivers Equity Partners, L.P.	27.6	-9.7	56.6	11.3	2.5	-7.0	17.9	10.6	2.9	12.2
Treflie Capital Management, LLC - Treflie Partners, L.P.	---	20.6	27.5	1.1	1.9	-11.3	12.9	6.4	5.5	3.4
Union Bancaire Privee Asset Mgmt - Selectinvest Global Eq. L/S	---	---	---	---	---	---	11.1	6.4	12.9	14.3
Wellington Hedge Management - Archipelago Partners, L.P. (n)	---	---	---	---	8.0	-0.7	23.4	9.4	14.4	14.6
Winston Capital Mgmt, LLC - Winston Global Fund, L.P.	---	---	---	---	---	-2.0	9.6	9.0	10.3	11.9
Winston Capital Mgmt, LLC - Winston Growth Fund L.P.	17.7	9.8	38.9	12.8	9.5	1.8	11.8	6.7	9.2	11.1
Winston Capital Mgmt, LLC - Winston Hedged Equity Fund, Ltd.	---	---	---	15.6	6.0	-4.4	10.1	7.4	8.4	11.4
Maximum	44.1	20.6	56.6	32.7	19.4	12.4	23.4	13.9	24.1	23.3
Median	21.3	3.2	38.9	14.0	5.2	0.4	11.6	7.5	10.3	11.0
Minimum	11.1	-9.7	18.6	-4.9	-1.3	-11.3	7.1	1.4	2.9	3.4
Number of Funds	14	15	15	17	22	29	36	39	41	41
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 6 (continued)

REPRESENTATIVE LONG/SHORT FUNDS-OF-FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Long/Short Funds-of-Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Private Advisors - Private Advisors Hedged Equity Fund QP, L.P.	---	---	---	---	---	8.7	10.8	11.0	11.8	13.0
Sire Management Partners - Sire Partners, L.P.	13.6	12.9	14.2	11.1	9.8	9.9	11.2	10.1	12.6	12.6
Three Rivers Equity Mgmt, Inc. - Three Rivers Equity Partners, L.P.	11.2	9.5	12.1	6.9	6.2	7.0	10.8	8.5	7.4	12.2
Treflie Capital Management, LLC - Treflie Partners, L.P.	---	7.0	5.4	2.6	2.9	3.1	7.0	5.1	4.5	3.4
Union Bancaire Privee Asset Mgmt - Selectinvest Global Eq. L/S	---	---	---	---	---	---	11.1	11.1	13.6	14.3
Wellington Hedge Management - Archipelago Partners, L.P. (n)	---	---	---	---	9.7	11.9	15.3	12.8	14.5	14.6
Winston Capital Mgmt, LLC - Winston Global Fund, L.P.	---	---	---	---	---	7.6	10.2	10.4	11.1	11.9
Winston Capital Mgmt, LLC - Winston Growth Fund L.P.	12.6	12.0	12.3	8.9	8.3	8.1	9.7	9.0	10.2	11.1
Winston Capital Mgmt, LLC - Winston Hedged Equity Fund, Ltd.	---	---	---	7.6	6.3	6.4	9.3	9.0	9.9	11.4
Maximum	14.8	13.7	14.2	11.1	11.5	12.1	15.2	12.8	23.7	23.3
Median	11.9	10.8	11.7	8.4	7.1	8.1	10.1	9.5	10.6	11.0
Minimum	8.7	7.0	5.4	2.6	2.9	3.1	5.1	4.0	4.5	3.4
Number of Funds	14	15	15	17	22	29	36	39	41	41
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 7

REPRESENTATIVE SHORT-SELLING FUNDS

Annual Returns (%)

<u>Short-Selling Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Copper River Mgmt - Copper River Partners, L.P.	37.8	-1.4	31.6	6.5	5.0	15.0	-35.6	10.0	46.1	-10.5
Kynikos Associates - URSUS Partners (n)	3.3	-2.6	-2.1	36.6	13.4	27.1	-33.1	-16.7	4.3	-11.5
Leuthold Weeden Capital Management - AdvantHedge Portfolio (n)	-5.3	0.0	-3.4	21.5	28.1	19.8	-29.5	-13.4	-3.1	-11.6
Levin Capital Strategies, L.P. - Island Drive Partners, L.P.	2.8	-2.0	-6.9	18.7	9.5	9.6	-24.5	-16.7	-5.3	-10.4
Reynard Asset Management - Reynard American Partners	3.0	-24.5	-35.2	20.5	13.4	33.5	-27.5	-11.5	-5.3	1.6
Water Street Capital - Polar Fund, Ltd.	9.0	-25.8	5.8	51.9	21.7	37.4	-32.8	-15.8	5.0	-7.7

Maximum	37.8	0.0	31.6	51.9	28.1	37.4	-24.5	10.0	46.1	1.6
Median	3.1	-2.3	-2.7	21.0	13.4	23.4	-31.1	-14.6	0.6	-10.4
Minimum	-5.3	-25.8	-35.2	6.5	5.0	9.6	-35.6	-16.7	-5.3	-11.6
Number of Funds	6	6	6	6	6	6	6	6	6	6
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 7 (continued)

REPRESENTATIVE SHORT-SELLING FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

<u>Short-Selling Funds</u>	<u>10 Yrs</u>	<u>9 Yrs</u>	<u>8 Yrs</u>	<u>7 Yrs</u>	<u>6 Yrs</u>	<u>5 Yrs</u>	<u>4 Yrs</u>	<u>3 Yrs</u>	<u>2 Yrs</u>	<u>1 Yr</u>
Copper River Mgmt - Copper River Partners, L.P.	7.9	5.0	5.8	2.5	1.9	1.3	-1.9	12.9	14.4	-10.5
Kynikos Associates - URSUS Partners (n)	0.0	-0.4	-0.1	0.2	-4.9	-8.1	-15.3	-8.4	-3.9	-11.5
Leuthold Weeden Capital Management - AdvantHedge Portfolio (n)	-1.1	-0.6	-0.7	-0.4	-3.6	-8.9	-14.9	-9.5	-7.4	-11.6
Levin Capital Strategies, L.P. - Island Drive Partners, L.P.	-3.3	-4.0	-4.2	-3.8	-7.2	-10.2	-14.5	-10.9	-7.9	-10.4
Reynard Asset Management - Reynard American Partners	-5.5	-6.4	-3.8	1.7	-1.1	-3.8	-11.4	-5.2	-1.9	1.6
Water Street Capital - Polar Fund, Ltd.	1.8	1.0	5.0	4.9	-1.4	-5.5	-13.9	-6.5	-1.6	-7.7

Maximum	7.9	5.0	5.8	4.9	1.9	1.3	-1.9	12.9	14.4	1.6
Median	-0.6	-0.5	-0.4	1.0	-2.5	-6.8	-14.2	-7.5	-2.9	-10.4
Minimum	-5.5	-6.4	-4.2	-3.8	-7.2	-10.2	-15.3	-10.9	-7.9	-11.6
Number of Funds	6	6	6	6	6	6	6	6	6	6
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 8

REPRESENTATIVE HEDGE FUND MANAGERS - EMERGING MARKETS SECTOR

Annual Returns (%)

<u>Emerging Markets Sector Funds</u>	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Axiom Investment Mgmt - Axiom Balanced Growth Fund	-2.9	-50.5	39.6	5.1	13.4	-7.7	25.9	7.5	7.1	21.4
Black River Asset Mgmt - Black River EMEA Investors Fund Ltd.	---	---	---	---	---	---	---	---	18.6	12.7
Black River Asset Mgmt - Black River Emerg. Markets Credit Opp	---	---	---	---	---	---	---	---	---	16.9
Charlemagne Capital (U.K.) - OCCO Global Emerg. Markets Fund	---	---	---	---	---	---	---	---	12.0	22.1
Compass Group, LLC - Compass Appreciation Fund	21.1	-4.2	19.0	-0.7	-8.6	-5.5	12.0	12.3	11.2	9.0
Compass Group, LLC - Compass Income Fund	15.0	5.4	12.1	10.8	4.2	-3.8	15.3	9.5	8.9	9.4
Everest Capital - Everest Capital Emerging Markets	49.7	-72.8	82.0	-7.7	-3.1	8.2	65.7	26.0	26.9	12.7
Fabien Pictet and Partners - FPP Emerging Hedge Fund I Ltd	---	---	13.3	1.0	-3.0	4.5	16.4	7.7	-0.7	18.1
FH International Asset Mgmt- FH Emerging Markets Debt Fund	---	---	---	---	12.0	36.2	45.7	17.3	9.9	13.7
GLS Capital Mgmt - GLS Global Opportunities Fund, L.P.	52.5	-50.1	82.1	-8.2	26.7	-6.8	42.7	9.9	6.8	16.1
Green Cay Asset Mgmt - Green Cay Emerging Markets Fund, LDC	---	-10.9	29.1	-8.2	7.5	-0.5	29.7	-5.2	7.5	20.8
Greylock Capital Mgmt - Global Distressed Debt Fund	---	---	---	---	---	---	---	9.0	-0.4	9.9
Greylock Capital Mgmt - Greylock Emerging Markets Equity Fund	---	---	---	---	---	---	---	---	---	20.0
Greylock Capital Mgmt - Greylock Global Opportunity Fund L.P.	62.9	5.6	48.0	30.8	10.1	5.8	19.6	10.4	0.7	10.1
Hermitage Capital Management Ltd. - The Hermitage Fund	228.2	-88.6	196.0	-4.9	80.6	34.1	51.8	22.4	81.5	38.6
Indea Capital Pte Ltd. - Indea Absolute Return Fund	---	---	---	---	---	---	---	15.5	17.5	40.2
Key Asset Management (UK) Ltd. - Key Global Emerging Markets	---	---	---	---	6.4	-0.6	23.6	10.4	17.5	7.2
Marathon Capital Mgmt - Marathon Emerging Markets Fund	---	-2.5	102.0	-34.4	3.2	-3.1	49.1	22.6	26.8	22.1
Matterhorn Investment Management - The Palmyra Fund	---	---	---	---	---	---	---	17.5	24.2	27.3
Moon Capital, LLC - Moon Capital Global Equity Fund	---	---	---	---	---	---	---	---	7.8	4.9
NCH Capital Inc. - New Century Holdings XI, L.P.	---	-77.1	137.7	2.8	66.4	24.3	43.8	16.4	49.8	31.4
Neon Liberty Capital Mgmt - Neon Liberty Emerging Markets	---	---	---	---	---	---	32.9	9.0	12.2	21.8
Oaktree Capital Mgmt - OCM Emerging Markets Fund, L.P.	---	---	39.5	28.2	23.8	11.4	6.5	8.3	5.6	8.5
OneWorld Invest. - OneWorld Sovereign Growth and Income Fund	---	---	---	---	13.6	11.0	17.5	5.8	4.6	8.0
Optima Fund Mgmt - The Optima Opportunity Fund Limited	92.5	-90.1	76.7	5.0	50.5	-7.3	76.1	31.6	48.0	53.5
Passport Management, LLC - India Strategy	---	---	---	---	---	---	---	---	---	32.9
Polunin Capital - Polunin Cap. Partners Emerg. Markets Fund	---	---	---	---	---	---	50.6	4.9	24.6	27.4
Quorum Asset Management Limited - Quorum Fund Limited	---	---	177.5	-15.0	42.4	30.5	61.4	48.6	62.8	72.9
Sandstone Capital - Sandstone Capital India Master Fund Ltd.	---	---	---	---	---	---	---	---	---	70.3
Sloane Robinson Inv. Mgmt - SR Global Fund (Emerging Markets)	110.3	-2.8	73.5	-16.0	20.5	4.7	57.3	24.7	31.3	26.7
Sloane Robinson Inv. Mgmt - SR Vista Emerging Markets	---	---	---	---	---	---	---	18.5	34.4	31.8
Spinnaker Cap. (Brazil) - Spinnaker Global Emerg. Markets Fund	---	---	---	---	82.8	47.6	49.8	26.8	26.4	17.9
Maximum	228.2	5.6	196.0	30.8	82.8	47.6	76.1	48.6	81.5	72.9
Median	51.1	-10.9	60.7	1.0	12.7	4.6	43.2	13.9	17.5	20.8
Minimum	-2.9	-90.1	12.1	-34.4	-8.6	-12.3	6.5	-5.2	-0.7	4.9
Number of Funds	10	15	18	19	22	22	24	28	31	35
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 8 (continued)

REPRESENTATIVE HEDGE FUND MANAGERS - EMERGING MARKETS SECTOR

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

<u>Emerging Markets Sector Funds</u>	<u>10 Yrs</u>	<u>9 Yrs</u>	<u>8 Yrs</u>	<u>7 Yrs</u>	<u>6 Yrs</u>	<u>5 Yrs</u>	<u>4 Yrs</u>	<u>3 Yrs</u>	<u>2 Yrs</u>	<u>1 Yr</u>
Axiom Investment Mgmt - Axiom Balanced Growth Fund	2.6	3.3	13.2	9.9	10.7	10.2	15.1	11.8	14.0	21.4
Black River Asset Mgmt - Black River EMEA Investors Fund Ltd.	---	---	---	---	---	---	---	---	15.6	12.7
Black River Asset Mgmt - Black River Emerg. Markets Credit Opp	---	---	---	---	---	---	---	---	---	16.9
Charlemagne Capital (U.K.) - OCCO Global Emerg. Markets Fund	---	---	---	---	---	---	---	---	17.0	22.1
Compass Group, LLC - Compass Appreciation Fund	6.1	4.5	5.7	3.9	4.7	7.6	11.1	10.8	10.1	9.0
Compass Group, LLC - Compass Income Fund	8.5	7.8	8.1	7.6	7.1	7.7	10.7	9.2	9.1	9.4
Everest Capital - Everest Capital Emerging Markets	7.9	4.1	23.0	16.4	20.9	26.4	31.5	21.7	19.6	12.7
Fabien Pictet and Partners - FPP Emerging Hedge Fund I Ltd	---	---	6.9	6.0	6.9	9.0	10.1	8.1	8.3	18.1
FH International Asset Mgmt- FH Emerging Markets Debt Fund	---	---	---	---	21.7	23.8	20.9	13.6	11.8	13.7
GLS Capital Mgmt - GLS Global Opportunities Fund, L.P.	11.3	7.5	18.3	11.2	14.9	12.6	18.1	10.8	11.3	16.1
Green Cay Asset Mgmt - Green Cay Emerging Markets Fund, LDC	---	6.8	9.2	6.6	9.3	9.7	12.4	7.2	14.0	20.8
Greylock Capital Mgmt - Global Distressed Debt Fund	---	---	---	---	---	---	---	6.1	4.6	9.9
Greylock Capital Mgmt - Greylock Emerging Markets Equity Fund	---	---	---	---	---	---	---	---	---	20.0
Greylock Capital Mgmt - Greylock Global Opportunity Fund L.P.	19.0	14.9	16.1	12.1	9.3	9.1	10.0	7.0	5.3	10.1
Hermitage Capital Management Ltd. - The Hermitage Fund	28.1	15.4	54.1	40.4	49.8	44.4	47.0	45.5	58.6	38.6
Indea Capital Pte Ltd. - Indea Absolute Return Fund	---	---	---	---	---	---	---	23.9	28.3	40.2
Key Asset Management (UK) Ltd. - Key Global Emerging Markets	---	---	---	---	10.5	11.3	14.5	11.6	12.2	7.2
Marathon Capital Mgmt - Marathon Emerging Markets Fund	---	15.5	18.0	9.2	18.9	22.4	29.7	23.8	24.4	22.1
Matterhorn Investment Management - The Palmyra Fund	---	---	---	---	---	---	---	22.9	25.7	27.3
Moon Capital, LLC - Moon Capital Global Equity Fund	---	---	---	---	---	---	---	---	6.3	4.9
NCH Capital Inc. - New Century Holdings XI, L.P.	---	16.0	42.1	32.1	37.7	32.6	34.7	31.8	40.3	31.4
Neon Liberty Capital Mgmt - Neon Liberty Emerging Markets	---	---	---	---	---	---	18.6	14.2	16.9	21.8
Oaktree Capital Mgmt - OCM Emerging Markets Fund, L.P.	---	---	15.9	12.9	10.5	8.0	7.2	7.5	7.0	8.5
OneWorld Invest. - OneWorld Sovereign Growth and Income Fund	---	---	---	9.3	10.0	9.3	8.8	6.1	6.3	8.0
Optima Fund Mgmt - The Optima Opportunity Fund Limited	10.1	3.4	38.6	33.9	39.4	37.3	51.5	44.0	50.7	53.5
Passport Management, LLC - India Strategy	---	---	---	---	---	---	---	---	---	32.9
Polunin Capital - Polunin Cap. Partners Emerg. Markets Fund	---	---	---	---	---	---	25.8	18.5	26.0	27.4
Quorum Asset Management Limited - Quorum Fund Limited	---	---	52.7	40.2	52.4	54.5	61.2	61.1	67.8	72.9
Sandstone Capital - Sandstone Capital India Master Fund Ltd.	---	---	---	---	---	---	---	---	---	70.3
Sloane Robinson Inv. Mgmt - SR Global Fund (Emerging Markets)	28.5	21.6	25.1	19.4	26.6	27.8	34.4	27.5	29.0	26.7
Sloane Robinson Inv. Mgmt - SR Vista Emerging Markets	---	---	---	---	---	---	---	28.0	33.1	31.8
Spinnaker Cap. (Brazil) - Spinnaker Global Emerg. Markets Fund	---	---	---	---	40.3	33.1	29.7	23.6	22.1	17.9
Maximum	28.5	21.6	54.1	40.4	52.4	54.5	61.2	61.1	67.8	72.9
Median	10.7	8.5	18.1	12.1	16.9	17.6	19.7	16.4	16.9	20.8
Minimum	2.6	3.3	5.7	3.9	4.7	7.6	7.2	6.1	4.6	4.9
Number of Funds	10	15	18	19	22	22	24	28	31	35
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 8 (continued)**REPRESENTATIVE HEDGE FUND MANAGERS - EMERGING MARKETS SECTOR****Annual Returns (%)**

<u>Emerging Markets Sector Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Third Avenue Mgmt - Third Avenue Global Value Fund	2.7	-9.5	22.9	18.5	10.1	3.4	72.5	25.9	19.9	21.3
Tiedemann Inv. Group - Tiedemann Global Emerg. Markets	---	-6.2	47.7	-29.2	16.0	16.3	14.9	6.7	10.9	15.3
Zephyr Management - Zephyr Latin American Fund, L.P.	---	-32.6	77.6	1.0	7.6	-12.3	54.4	27.9	31.4	32.5
Maximum	228.2	5.6	196.0	30.8	82.8	47.6	76.1	48.6	81.5	72.9
Median	51.1	-10.9	60.7	1.0	12.7	4.6	43.2	13.9	17.5	20.8
Minimum	-2.9	-90.1	12.1	-34.4	-8.6	-12.3	6.5	-5.2	-0.7	4.9
Number of Funds	10	15	18	19	22	22	24	28	31	35
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 8 (continued)

REPRESENTATIVE HEDGE FUND MANAGERS - EMERGING MARKETS SECTOR

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

<u>Emerging Markets Sector Funds</u>	<u>10 Yrs</u>	<u>9 Yrs</u>	<u>8 Yrs</u>	<u>7 Yrs</u>	<u>6 Yrs</u>	<u>5 Yrs</u>	<u>4 Yrs</u>	<u>3 Yrs</u>	<u>2 Yrs</u>	<u>1 Yr</u>
Third Avenue Mgmt - Third Avenue Global Value Fund	17.1	18.9	23.0	23.0	23.8	26.7	33.3	22.3	20.6	21.3
Tiedemann Inv. Group - Tiedemann Global Emerg. Markets	---	8.5	10.4	5.9	13.3	12.7	11.9	10.9	13.0	15.3
Zephyr Management - Zephyr Latin American Fund, L.P.	---	16.4	24.6	18.5	21.7	24.7	36.1	30.6	31.9	32.5
Maximum	28.5	21.6	54.1	40.4	52.4	54.5	61.2	61.1	67.8	72.9
Median	10.7	8.5	18.1	12.1	16.9	17.6	19.7	16.4	16.9	20.8
Minimum	2.6	3.3	5.7	3.9	4.7	7.6	7.2	6.1	4.6	4.9
Number of Funds	10	15	18	19	22	22	24	28	31	35
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 9

REPRESENTATIVE ASIAN SECTOR HEDGE FUNDS

Annual Returns (%)

Asian Sector Hedge Funds	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Acru Asset Mgmt Ltd. - Acru China + Absolute Return Fund Ltd.	---	---	---	---	---	---	---	---	4.4	26.5
ADF Management, Ltd. - The Asian Debt Fund, Ltd	---	---	---	---	---	---	---	26.2	11.1	12.3
AIMS Asset Mgmt Sdn. Bhd. - AIMS Absolute Asia Fund	---	---	---	---	---	---	---	5.2	-3.1	14.1
AIMS Asset Mgmt Sdn. Bhd. - AIMS Absolute China Certificate	---	---	---	---	---	---	---	13.6	-8.8	37.1
Analytic Investors - Analytic Japan Equity Market Neutral (n)	---	---	---	---	---	---	11.7	9.1	-11.3	3.1
APS Asset Management Pte Ltd. - APS Asia-Pacific Hedge Fund	---	---	---	---	---	15.8	0.3	-7.1	3.1	16.9
Arcus Investment Limited - The Arcus Zensen Fund	---	---	---	---	---	10.3	31.2	21.1	4.5	5.2
Arnhold and S. Bleichroeder Advisers - First Eagle Pacific Ltd.	---	---	---	---	---	---	21.4	8.7	8.9	16.5
Asian Century Quest Capital - Asian Century Quest Offshore Fund	---	---	---	---	---	---	---	---	---	9.4
Asuka Asset Mgmt - Asuka Japanese Equity Long Short Offshore	---	---	---	---	---	---	4.0	4.9	33.4	-7.1
Asuka Asset Mgmt - Asuka Opportunities Fund	---	---	---	---	---	---	15.7	9.9	12.7	-2.6
Asuka Asset Mgmt - Asuka Value Up Unit Trust	---	---	---	---	---	---	---	---	---	-4.5
Avenue Capital Group - Avenue Asia Equity Investments, L.P.	---	---	---	---	---	---	---	---	---	4.2
Blue Sky Capital Management Pty Ltd. - Blue Sky Japan L.P.	---	---	---	---	17.6	16.2	55.8	-5.1	142.9	-27.7
Boyer Allan Inv. Mgmt Ltd. - Boyer Allan Japan Partners, L.P.	---	---	---	---	10.7	6.7	16.1	6.6	44.8	-10.8
Boyer Allan Inv. Mgmt Ltd. - Boyer Allan Pacific Fund	---	---	253.8	-32.9	6.6	-4.0	58.7	15.4	21.0	9.8
Buena Vista Fund Management, LLC - Buena Vista Fund II, L.P.	---	---	---	---	---	---	14.9	5.3	5.3	5.6
Charlemagne Capital (U.K.) Limited - OCCO Asia Fund	---	---	---	-31.1	-3.3	14.2	17.0	4.7	1.2	3.6
Chatterjee Group (The) - TCG IndiaStar Cayman Ltd.	---	---	---	---	---	---	---	---	---	68.8
CITIC Capital Markets Limited - China Plus Fund Limited	---	---	---	---	---	---	---	12.9	8.0	27.0
Cornerstone Asia Inv. Pte Ltd.- JBM - India Millennium Fund	---	---	---	---	---	---	---	---	---	-2.8
Dalton Investments, LLC - Dalton Greater China Fund	---	---	---	---	---	---	---	---	11.1	28.3
Dalton Strategic Partnership LLP - Melchior Japan Fund	---	---	---	---	---	---	---	12.7	52.5	-21.7
Doric Capital Corp. - Doric Focus Fund	---	---	---	---	0.7	27.3	32.2	10.6	8.7	13.1
EN Asset Management Limited - EN Benten Japan Fund Limited	---	---	---	---	---	15.8	8.2	-2.9	21.8	-2.4
Enhanced Investment Products Limited - E.I.P. Overlay Fund	---	---	---	---	---	---	3.3	6.7	3.1	11.6
Everest Capital - Everest Capital China Opportunity, L.P.	---	---	---	---	---	---	---	7.8	14.1	31.0
Everest Capital - Everest Capital Japan Opportunity Fund, L.P.	---	---	---	---	---	---	25.9	1.4	34.6	-4.3
FreeSpirit Advisors Pty. Ltd. - Japan Long/Short Fund	---	---	---	---	---	---	21.6	1.7	24.8	-12.2
Gabelli & Partners - Gabelli Japanese Value Partners, L.P.	---	---	---	---	---	---	-3.0	13.2	10.6	5.8
GAM - GAM Japan Equity Hedge Strategy (n)	---	---	68.3	-22.4	-13.7	-3.3	20.2	12.5	6.2	-5.7
GAM USA Inc. - GAM Asia Equity Hedge Inc.	---	---	---	---	---	4.8	15.4	8.7	16.0	29.3
Maximum	84.0	17.3	253.8	34.7	34.4	27.3	289.0	69.9	142.9	359.7
Median	32.7	1.8	68.3	-8.0	5.7	3.0	23.5	9.9	15.2	8.8
Minimum	-20.6	-30.5	18.3	-34.2	-13.7	-24.8	-7.8	-17.4	-26.0	-27.7
Number of Funds	7	8	13	20	32	42	61	78	90	103
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 9 (continued)

REPRESENTATIVE ASIAN SECTOR HEDGE FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

<u>Asian Sector Hedge Funds</u>	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Acru Asset Mgmt Ltd. - Acru China + Absolute Return Fund Ltd.	---	---	---	---	---	---	---	---	14.9	26.5
ADF Management, Ltd. - The Asian Debt Fund, Ltd	---	---	---	---	---	---	---	16.3	11.7	12.3
AIMS Asset Mgmt Sdn. Bhd. - AIMS Absolute Asia Fund	---	---	---	---	---	---	---	5.2	5.2	14.1
AIMS Asset Mgmt Sdn. Bhd. - AIMS Absolute China Certificate	---	---	---	---	---	---	---	12.4	11.9	37.1
Analytic Investors - Analytic Japan Equity Market Neutral (n)	---	---	---	---	---	---	2.7	-0.1	-4.4	3.1
APS Asset Management Pte Ltd. - APS Asia-Pacific Hedge Fund	---	---	---	---	---	5.4	2.9	3.8	9.8	16.9
Arcus Investment Limited - The Arcus Zensen Fund	---	---	---	---	---	14.0	15.0	10.0	4.8	5.2
Arnhold and S. Bleichroeder Advisers - First Eagle Pacific Ltd.	---	---	---	---	---	---	13.7	11.3	12.6	16.5
Asian Century Quest Capital - Asian Century Quest Offshore Fund	---	---	---	---	---	---	---	---	---	9.4
Asuka Asset Mgmt - Asuka Japanese Equity Long Short Offshore	---	---	---	---	---	---	7.8	9.1	11.3	-7.1
Asuka Asset Mgmt - Asuka Opportunities Fund	---	---	---	---	---	---	8.7	6.5	4.8	-2.6
Asuka Asset Mgmt - Asuka Value Up Unit Trust	---	---	---	---	---	---	---	---	---	-4.5
Avenue Capital Group - Avenue Asia Equity Investments, L.P.	---	---	---	---	---	---	---	---	---	4.2
Blue Sky Capital Management Pty Ltd. - Blue Sky Japan L.P.	---	---	---	---	23.5	24.7	26.9	18.6	32.5	-27.7
Boyer Allan Inv. Mgmt Ltd. - Boyer Allan Japan Partners, L.P.	---	---	---	---	11.2	11.3	12.4	11.3	13.7	-10.8
Boyer Allan Inv. Mgmt Ltd. - Boyer Allan Pacific Fund	---	---	24.9	7.6	16.4	18.5	24.9	15.3	15.3	9.8
Buena Vista Fund Management, LLC - Buena Vista Fund II, L.P.	---	---	---	---	---	---	7.7	5.4	5.4	5.6
Charlemagne Capital (U.K.) Limited - OCCO Asia Fund	---	---	---	-0.3	6.0	8.0	6.5	3.2	2.4	3.6
Chatterjee Group (The) - TCG IndiaStar Cayman Ltd.	---	---	---	---	---	---	---	---	---	68.8
CITIC Capital Markets Limited - China Plus Fund Limited	---	---	---	---	---	---	---	15.7	17.1	27.0
Cornerstone Asia Inv. Pte Ltd.- JBM - India Millennium Fund	---	---	---	---	---	---	---	---	---	-2.8
Dalton Investments, LLC - Dalton Greater China Fund	---	---	---	---	---	---	---	---	19.4	28.3
Dalton Strategic Partnership LLP - Melchior Japan Fund	---	---	---	---	---	---	---	10.4	9.3	-21.7
Doric Capital Corp. - Doric Focus Fund	---	---	---	---	14.9	18.0	15.8	10.8	10.9	13.1
EN Asset Management Limited - EN Benten Japan Fund Limited	---	---	---	---	---	7.7	5.7	4.9	9.1	-2.4
Enhanced Investment Products Limited - E.I.P. Overlay Fund	---	---	---	---	---	---	6.1	7.1	7.3	11.6
Everest Capital - Everest Capital China Opportunity, L.P.	---	---	---	---	---	---	---	17.2	22.3	31.0
Everest Capital - Everest Capital Japan Opportunity Fund, L.P.	---	---	---	---	---	---	13.2	9.3	13.5	-4.3
FreeSpirit Advisors Pty. Ltd. - Japan Long/Short Fund	---	---	---	---	---	---	7.9	3.7	4.7	-12.2
Gabelli & Partners - Gabelli Japanese Value Partners, L.P.	---	---	---	---	---	---	6.5	9.8	8.2	5.8
GAM - GAM Japan Equity Hedge Strategy (n)	---	---	5.0	-1.8	2.1	5.5	7.9	4.1	0.1	-5.7
GAM USA Inc. - GAM Asia Equity Hedge Inc.	---	---	---	---	---	14.5	17.1	17.7	22.4	29.3
Maximum	25.9	24.6	26.3	17.5	23.5	76.1	117.8	79.5	84.5	359.7
Median	10.6	10.7	11.8	8.9	11.9	13.7	14.1	11.8	13.3	8.8
Minimum	6.4	7.8	5.0	-1.8	2.1	4.0	2.7	-1.1	-4.7	-27.7
Number of Funds	7	8	13	20	32	42	61	78	90	103
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 9 (continued)

REPRESENTATIVE ASIAN SECTOR HEDGE FUNDS

Annual Returns (%)

<u>Asian Sector Hedge Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Gartmore Investment Management plc - AlphaGen Hokuto Fund	---	---	---	---	7.6	-1.7	17.1	3.4	17.4	1.4
Gartmore Investment Management plc - AlphaGen Pictor Fund	---	---	---	---	---	-3.9	24.2	11.1	15.7	17.3
GSB Capital, LLC - Phoenix Japan Fund, L.P. (n)	---	---	---	---	---	---	---	---	---	-5.2
Hachiman Capital Management - Hachiman Japan Fund	---	---	---	---	---	---	---	---	---	-4.1
Hamon Asset Management Ltd. - Hamon Oriental Long Short Fund	---	---	---	---	---	---	29.2	0.1	25.9	41.1
Henderson Global Investors - Henderson Japan Absolute Return	---	---	---	---	20.7	-2.3	14.7	12.9	22.1	4.7
HT Capital Management Limited - HT Asian Catalyst Fund LLC	---	---	---	---	8.4	5.8	30.5	10.9	13.0	19.7
Income Partners Asset Mgmt (Asia) Ltd. - Asian Credit HF	---	---	---	---	---	---	12.5	6.2	4.8	10.9
Indus Capital Partners - Indus Asia Pacific Fund	---	---	---	---	8.0	-1.8	29.1	8.5	14.6	24.7
Indus Capital Partners - Indus Event Driven Fund	---	---	---	---	---	---	15.9	9.9	7.4	6.3
Indus Capital Partners - Indus Japan Fund	---	---	---	---	8.7	-2.8	21.2	13.8	30.8	3.9
Indus Capital Partners - Indus Pacific Smaller Companies Fund	---	---	---	---	---	---	---	---	27.4	7.3
Investor Select Advisors - ISA Ichibanboshi Fund	---	---	---	---	---	---	27.5	6.5	4.6	-13.1
Jade Inc. - Jade Asia Pacific Fund, L.P.	---	---	---	---	-4.3	2.1	-7.8	12.0	13.4	25.8
Joho Capital, LLC - Joho Partners, L.P.	37.6	12.1	240.5	-5.9	34.4	4.9	-5.8	4.1	16.2	25.8
JPMorgan Asset Mgmt - JF Greater China Absolute Return Fund	---	---	---	---	---	---	---	-3.1	2.1	20.8
JPMorgan Asset Mgmt - JF Japan Absolute Return Fund	---	---	---	---	---	---	---	23.9	7.1	-3.5
JPMorgan Asset Mgmt - JF Korea Absolute Return Fund	---	---	---	---	---	---	---	18.1	21.6	4.7
K2 Asset Mgmt Pty Ltd. - K2 Asian Absolute Return Fund	---	---	---	8.4	4.8	14.5	33.3	13.1	10.9	24.3
K2 Asset Mgmt Pty Ltd. - K2 Australian Absolute Return Fund	---	---	---	17.9	9.5	10.8	26.1	25.4	10.7	23.4
K2 Asset Mgmt Pty Ltd. - Peak Asian Absolute Return Fund	---	---	---	---	-10.0	21.2	38.8	11.8	7.9	26.7
Liberty Square Asset Mgmt - Strategic Partners IV (Asia), L.P.	---	---	---	---	---	---	---	---	25.8	11.5
LIM Advisors Ltd. - LIM Asia Arbitrage Fund	---	---	---	---	---	---	---	---	10.1	12.8
LIM Advisors Ltd. - LIM Japan Fund	---	---	---	---	---	---	---	---	-0.4	-2.0
Lloyd George Inv. Mgmt (Bermuda) - LG Asian Plus Limited	---	---	102.3	-14.7	16.7	2.8	55.2	13.2	44.7	8.5
Lynx Arbitrage Limited - Lynx Arbitrage Fund Limited	---	---	---	---	---	---	---	---	2.8	8.7
Myojo Asset Mgmt Japan Co. - Myojo Japan Long Short Fund	---	---	---	---	---	---	---	54.8	24.5	-2.9
Oaktree Capital Mgmt - OCM Japan Opportunities Fund, L.P.	---	---	---	---	---	---	---	---	---	2.0
Odey Asset Management - Odey Japan & General Incorporated	---	---	---	---	0.8	-1.0	29.1	30.1	27.1	-10.1
Optima Fund Management - The Platinum Japan Fund Limited	---	---	---	-18.5	-7.6	11.0	44.9	16.7	29.1	1.4
Optimal Fund Management Pty Limited - Optimal Japan Fund	---	---	---	19.2	-4.0	-2.4	27.6	12.2	30.7	9.2
Pacific Capital Mgmt - Asian Select Equity Investment Partnership	-20.6	-4.2	61.9	-28.7	0.8	-5.3	44.5	1.7	16.4	29.6
Maximum	84.0	17.3	253.8	34.7	34.4	27.3	289.0	69.9	142.9	359.7
Median	32.7	1.8	68.3	-8.0	5.7	3.0	23.5	9.9	15.2	8.8
Minimum	-20.6	-30.5	18.3	-34.2	-13.7	-24.8	-7.8	-17.4	-26.0	-27.7
Number of Funds	7	8	13	20	32	42	61	78	90	103
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 9 (continued)

REPRESENTATIVE ASIAN SECTOR HEDGE FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Asian Sector Hedge Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Gartmore Investment Management plc - AlphaGen Hokuto Fund	---	---	---	---	7.3	7.2	9.6	7.2	9.1	1.4
Gartmore Investment Management plc - AlphaGen Pictor Fund	---	---	---	---	---	12.5	17.0	14.7	16.5	17.3
GSB Capital, LLC - Phoenix Japan Fund, L.P. (n)	---	---	---	---	---	---	---	---	---	-5.2
Hachiman Capital Management - Hachiman Japan Fund	---	---	---	---	---	---	---	---	---	-4.1
Hamon Asset Management Ltd. - Hamon Oriental Long Short Fund	---	---	---	---	---	---	23.1	21.1	33.3	41.1
Henderson Global Investors - Henderson Japan Absolute Return	---	---	---	---	11.8	10.1	13.4	13.0	13.1	4.7
HT Capital Management Limited - HT Asian Catalyst Fund LLC	---	---	---	---	14.4	15.7	18.3	14.5	16.3	19.7
Income Partners Asset Mgmt (Asia) Ltd. - Asian Credit HF	---	---	---	---	---	---	8.5	7.2	7.8	10.9
Indus Capital Partners - Indus Asia Pacific Fund	---	---	---	---	13.4	14.5	18.9	15.7	19.5	24.7
Indus Capital Partners - Indus Event Driven Fund	---	---	---	---	---	---	9.8	7.9	6.8	6.3
Indus Capital Partners - Indus Japan Fund	---	---	---	---	12.1	12.7	17.0	15.6	16.6	3.9
Indus Capital Partners - Indus Pacific Smaller Companies Fund	---	---	---	---	---	---	---	---	16.9	7.3
Investor Select Advisors - ISA Ichibanboshi Fund	---	---	---	---	---	---	5.4	-1.1	-4.7	-13.1
Jade Inc. - Jade Asia Pacific Fund, L.P.	---	---	---	---	6.3	8.5	10.2	16.9	19.4	25.8
Joho Capital, LLC - Joho Partners, L.P.	25.9	24.6	26.3	9.6	12.4	8.5	9.4	15.0	20.9	25.8
JPMorgan Asset Mgmt - JF Greater China Absolute Return Fund	---	---	---	---	---	---	---	6.1	11.1	20.8
JPMorgan Asset Mgmt - JF Japan Absolute Return Fund	---	---	---	---	---	---	---	8.6	1.6	-3.5
JPMorgan Asset Mgmt - JF Korea Absolute Return Fund	---	---	---	---	---	---	---	14.5	12.8	4.7
K2 Asset Mgmt Pty Ltd. - K2 Asian Absolute Return Fund	---	---	---	15.2	16.4	18.9	20.0	15.9	17.4	24.3
K2 Asset Mgmt Pty Ltd. - K2 Australian Absolute Return Fund	---	---	---	17.5	17.4	19.1	21.2	19.6	16.9	23.4
K2 Asset Mgmt Pty Ltd. - Peak Asian Absolute Return Fund	---	---	---	---	15.0	20.8	20.7	15.2	16.9	26.7
Liberty Square Asset Mgmt - Strategic Partners IV (Asia), L.P.	---	---	---	---	---	---	---	---	18.4	11.5
LIM Advisors Ltd. - LIM Asia Arbitrage Fund	---	---	---	---	---	---	---	---	11.4	12.8
LIM Advisors Ltd. - LIM Japan Fund	---	---	---	---	---	---	---	---	-1.2	-2.0
Lloyd George Inv. Mgmt (Bermuda) - LG Asian Plus Limited	---	---	24.3	16.0	22.0	23.1	28.8	21.1	25.3	8.5
Lynx Arbitrage Limited - Lynx Arbitrage Fund Limited	---	---	---	---	---	---	---	---	5.7	8.7
Myojo Asset Mgmt Japan Co. - Myojo Japan Long Short Fund	---	---	---	---	---	---	---	23.2	10.0	-2.9
Oaktree Capital Mgmt - OCM Japan Opportunities Fund, L.P.	---	---	---	---	---	---	---	---	---	2.0
Odey Asset Management - Odey Japan & General Incorporated	---	---	---	---	11.4	13.7	17.7	14.1	6.9	-10.1
Optima Fund Management - The Platinum Japan Fund Limited	---	---	---	9.2	14.7	19.7	22.0	15.2	14.4	1.4
Optimal Fund Management Pty Limited - Optimal Japan Fund	---	---	---	12.5	11.4	14.8	19.6	17.0	19.5	9.2
Pacific Capital Mgmt - Asian Select Equity Investment Partnership	6.4	9.9	11.8	6.1	13.3	16.0	22.0	15.3	22.8	29.6
Maximum	25.9	24.6	26.3	17.5	23.5	76.1	117.8	79.5	84.5	359.7
Median	10.6	10.7	11.8	8.9	11.9	13.7	14.1	11.8	13.3	8.8
Minimum	6.4	7.8	5.0	-1.8	2.1	4.0	2.7	-1.1	-4.7	-27.7
Number of Funds	7	8	13	20	32	42	61	78	90	103
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 9 (continued)

REPRESENTATIVE ASIAN SECTOR HEDGE FUNDS

Annual Returns (%)

<u>Asian Sector Hedge Funds</u>	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Pacific Sun Inv. Mgmt (HK) Limited - The China Mantou Fund	---	---	---	---	---	---	48.0	-7.8	-5.0	53.6
PCE Investors Limited - Akamatsu Fund	---	---	---	---	---	---	---	---	29.7	5.2
Penta Investment Advisers - Penta Asia Long/Short Fund, Ltd.	---	---	20.3	6.0	7.7	9.1	18.6	13.4	8.4	28.0
Penta Investment Advisers - Penta Japan Domestic Partners II, L.P.	---	---	---	---	---	3.3	115.8	1.4	-18.8	179.9
Pi Investment Management (BVI) Limited - Pi Asia Fund Limited	---	---	---	---	---	---	23.5	7.1	10.1	18.4
Pinpoint Asset Management Company Ltd. - Pinpoint China Fund	---	---	---	---	---	---	---	---	---	139.2
Polar Capital Partners Ltd. - PC Japan Absolute Return Fund Ltd.	---	---	---	---	---	11.8	8.5	2.4	26.3	8.8
Prime Capital Mgmt Co Ltd.- Dragon Billion Greater China Fund	---	---	---	---	---	---	---	---	---	74.0
Prodigy Capital Partners - Prodigy Asia and Emerging Markets	---	---	---	---	---	---	38.0	6.3	10.4	9.3
Prospect Asset Mgmt, Inc. - Prospect Absolute Return (Japan)	---	---	---	---	---	---	14.4	11.9	8.7	-2.3
Quant Asset Management Pte - QAM Asian Equities Fund Ltd	---	---	---	---	---	---	---	---	28.7	12.1
Rosehill Capital Management - Rosehill Japan Fund, L.P.	32.7	-12.3	18.3	34.7	18.6	0.9	12.2	11.1	10.7	-10.7
Rosehill Capital Management - Rosehill Saisei Fund, Ltd	---	---	---	---	---	---	---	---	24.9	-0.2
Sansar Capital Management - Sansar Capital Master Fund, L.P.	---	---	---	---	---	---	---	---	---	29.4
Seacross Global Advisors - Seacross Asia Pacific Partners, L.P.	-11.4	16.6	179.6	-13.7	-5.2	-4.9	24.1	8.5	14.0	10.5
SHK Fund Management Ltd. - SHK Quant Asia Fund	---	---	---	---	---	---	---	---	---	5.8
Sloane Robinson Investment Mgmt - SR Global Fund (Asia)	84.0	-30.5	113.5	-24.8	24.4	-2.2	66.1	14.1	26.2	17.9
Sloane Robinson Investment Mgmt - SR Global Fund (Japan)	---	---	---	---	---	---	---	-2.2	36.4	-11.0
Sofaer Capital - SCI Asian Hedge Fund	10.9	-14.8	58.1	-10.2	-11.6	-13.1	41.6	9.6	14.9	23.5
Sofaer Capital - SCI Japan Hedge Fund	---	---	---	3.3	6.3	6.2	27.7	16.0	23.6	-2.7
Sparx Asset Management Co. Ltd. - SPARX Long-Short Fund, Ltd.	---	17.3	54.3	-5.8	7.8	-2.9	17.3	9.7	17.4	-1.0
Speedwell Advisors Ltd. - Nezu Cayman Fund Ltd.	---	---	---	---	4.5	13.1	38.0	-17.4	28.0	-2.2
Standard Pacific Capital LLC - Standard Pacific Japan Fund, L.P.	---	---	---	---	---	---	---	---	48.3	-2.6
Steel Partners, LLC - Steel Partners Japan Strategic Fund, L.P.	---	---	---	---	---	---	22.3	30.1	30.4	8.4
Sturdza Strategic Management - Strategic Evarich Japan Fund Ltd.	---	---	---	---	---	---	---	19.8	51.6	-6.1
Symphony Financial Partners - SFP Value Realization Master Fund	---	---	---	---	---	---	---	32.3	50.9	-7.3
Tantallon Capital Limited - The Tantallon Fund	---	---	---	---	---	---	---	25.4	22.8	13.0
Telligent Advisors, LLC - Telligent Greater China Fund	---	---	---	---	---	---	---	---	11.3	74.0
Tiedemann Investment Group - Tiedemann Japan, L.P.	---	---	---	---	---	---	---	10.7	32.3	-10.9
Tiedemann Investment Group - Tiedemann/Ayer Asian Growth	35.3	7.9	97.1	-34.2	0.7	-8.1	19.1	-2.4	15.4	13.0
Titan Capital Group II, LLC - Titan Asia Volatility Fund Ltd.	---	---	---	---	---	3.3	5.2	10.6	-15.0	19.5
TT International Investment Mgmt - Asia Pacific Hedge Fund	---	---	---	15.8	5.1	-1.5	28.2	-1.2	21.5	-3.9
Maximum	84.0	17.3	253.8	34.7	34.4	27.3	289.0	69.9	142.9	359.7
Median	32.7	1.8	68.3	-8.0	5.7	3.0	23.5	9.9	15.2	8.8
Minimum	-20.6	-30.5	18.3	-34.2	-13.7	-24.8	-7.8	-17.4	-26.0	-27.7
Number of Funds	7	8	13	20	32	42	61	78	90	103
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 9 (continued)

REPRESENTATIVE ASIAN SECTOR HEDGE FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

<u>Asian Sector Hedge Funds</u>	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Pacific Sun Inv. Mgmt (HK) Limited - The China Mantou Fund	---	---	---	---	---	---	18.8	10.4	20.8	53.6
PCE Investors Limited - Akamatsu Fund	---	---	---	---	---	---	---	---	16.8	5.2
Penta Investment Advisers - Penta Asia Long/Short Fund, Ltd.	---	---	13.7	12.8	14.0	15.3	16.9	16.3	17.8	28.0
Penta Investment Advisers - Penta Japan Domestic Partners II, L.P.	---	---	---	---	---	38.7	49.3	32.1	50.8	179.9
Pi Investment Management (BVI) Limited - Pi Asia Fund Limited	---	---	---	---	---	---	14.6	11.8	14.2	18.4
Pinpoint Asset Management Company Ltd. - Pinpoint China Fund	---	---	---	---	---	---	---	---	---	139.2
Polar Capital Partners Ltd. - PC Japan Absolute Return Fund Ltd.	---	---	---	---	---	11.3	11.2	12.1	17.2	8.8
Prime Capital Mgmt Co Ltd.- Dragon Billion Greater China Fund	---	---	---	---	---	---	---	---	---	74.0
Prodigy Capital Partners - Prodigy Asia and Emerging Markets	---	---	---	---	---	---	15.3	8.6	9.8	9.3
Prospect Asset Mgmt, Inc. - Prospect Absolute Return (Japan)	---	---	---	---	---	---	8.0	5.9	3.1	-2.3
Quant Asset Management Pte - QAM Asian Equities Fund Ltd	---	---	---	---	---	---	---	---	20.1	12.1
Rosehill Capital Management - Rosehill Japan Fund, L.P.	10.6	8.4	11.3	10.3	6.7	4.4	5.3	3.2	-0.6	-10.7
Rosehill Capital Management - Rosehill Saisei Fund, Ltd	---	---	---	---	---	---	---	---	11.7	-0.2
Sansar Capital Management - Sansar Capital Master Fund, L.P.	---	---	---	---	---	---	---	---	---	29.4
Seacross Global Advisors - Seacross Asia Pacific Partners, L.P.	14.3	17.6	17.7	4.0	7.3	10.0	14.1	10.9	12.2	10.5
SHK Fund Management Ltd. - SHK Quant Asia Fund	---	---	---	---	---	---	---	---	---	5.8
Sloane Robinson Investment Mgmt - SR Global Fund (Asia)	21.6	16.1	23.8	14.5	22.8	22.5	29.6	19.3	22.0	17.9
Sloane Robinson Investment Mgmt - SR Global Fund (Japan)	---	---	---	---	---	---	---	5.9	10.2	-11.0
Sofaer Capital - SCI Asian Hedge Fund	8.5	8.3	11.6	6.2	9.2	13.9	21.8	15.9	19.1	23.5
Sofaer Capital - SCI Japan Hedge Fund	---	---	---	11.0	12.4	13.6	15.5	11.7	9.7	-2.7
Sparx Asset Management Co. Ltd. - SPARX Long-Short Fund, Ltd.	---	11.5	10.8	5.7	7.7	7.7	10.6	8.4	7.8	-1.0
Speedwell Advisors Ltd. - Nezu Cayman Fund Ltd.	---	---	---	---	9.1	10.0	9.3	1.1	11.9	-2.2
Standard Pacific Capital LLC - Standard Pacific Japan Fund, L.P.	---	---	---	---	---	---	---	---	20.2	-2.6
Steel Partners, LLC - Steel Partners Japan Strategic Fund, L.P.	---	---	---	---	---	---	22.5	22.5	18.9	8.4
Sturdza Strategic Management - Strategic Evarich Japan Fund Ltd.	---	---	---	---	---	---	---	19.5	19.3	-6.1
Symphony Financial Partners - SFP Value Realization Master Fund	---	---	---	---	---	---	---	22.8	18.3	-7.3
Tantallon Capital Limited - The Tantallon Fund	---	---	---	---	---	---	---	20.3	17.8	13.0
Telligent Advisors, LLC - Telligent Greater China Fund	---	---	---	---	---	---	---	---	39.2	74.0
Tiedemann Investment Group - Tiedemann Japan, L.P.	---	---	---	---	---	---	---	9.3	8.6	-10.9
Tiedemann Investment Group - Tiedemann/Ayer Asian Growth	10.3	7.8	7.8	-1.1	5.8	6.9	11.0	8.4	14.2	13.0
Titan Capital Group II, LLC - Titan Asia Volatility Fund Ltd.	---	---	---	---	---	4.1	4.3	4.0	0.8	19.5
TT International Investment Mgmt - Asia Pacific Hedge Fund	---	---	---	8.5	7.4	7.8	10.3	4.9	8.1	-3.9
Maximum	25.9	24.6	26.3	17.5	23.5	76.1	117.8	79.5	84.5	359.7
Median	10.6	10.7	11.8	8.9	11.9	13.7	14.1	11.8	13.3	8.8
Minimum	6.4	7.8	5.0	-1.8	2.1	4.0	2.7	-1.1	-4.7	-27.7
Number of Funds	7	8	13	20	32	42	61	78	90	103
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 9 (continued)

REPRESENTATIVE ASIAN SECTOR HEDGE FUNDS

Annual Returns (%)

<u>Asian Sector Hedge Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
UG Inv. Advisers Ltd. - UG Formosa Multi-Strategy	---	---	---	---	---	---	---	9.6	3.6	60.2
UG Inv. Advisers Ltd. - UG Hidden Dragon Undervalued Assets	---	---	---	---	---	---	---	---	---	99.1
Ward Ferry Mgmt Ltd. - WF Asia Fund Ltd.	---	---	---	---	---	-1.6	47.2	13.9	16.3	19.4
Ward Ferry Mgmt Ltd. - WF Asian Smaller Companies Fund Ltd.	---	---	---	---	---	---	99.3	35.0	28.3	46.2
Ward Ferry Mgmt Ltd. - WF Japan Fund Ltd.	---	---	---	---	---	---	---	1.8	36.6	-7.6
Wellam Investment Limited - Hidaro Fund	---	---	53.9	9.5	0.1	5.0	1.4	3.9	17.5	-6.3
Winnington Capital Limited - Trophy Fund	---	---	---	---	---	-24.8	289.0	69.9	-26.0	359.7

Maximum	84.0	17.3	253.8	34.7	34.4	27.3	289.0	69.9	142.9	359.7
Median	32.7	1.8	68.3	-8.0	5.7	3.0	23.5	9.9	15.2	8.8
Minimum	-20.6	-30.5	18.3	-34.2	-13.7	-24.8	-7.8	-17.4	-26.0	-27.7
Number of Funds	7	8	13	20	32	42	61	78	90	103
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 9 (continued)

REPRESENTATIVE ASIAN SECTOR HEDGE FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

<u>Asian Sector Hedge Funds</u>	<u>10 Yrs</u>	<u>9 Yrs</u>	<u>8 Yrs</u>	<u>7 Yrs</u>	<u>6 Yrs</u>	<u>5 Yrs</u>	<u>4 Yrs</u>	<u>3 Yrs</u>	<u>2 Yrs</u>	<u>1 Yr</u>
UG Inv. Advisers Ltd. - UG Formosa Multi-Strategy	---	---	---	---	---	---	---	22.1	28.8	60.2
UG Inv. Advisers Ltd. - UG Hidden Dragon Undervalued Assets	---	---	---	---	---	---	---	---	---	99.1
Ward Ferry Mgmt Ltd. - WF Asia Fund Ltd.	---	---	---	---	---	18.0	23.5	16.5	17.8	19.4
Ward Ferry Mgmt Ltd. - WF Asian Smaller Companies Fund Ltd.	---	---	---	---	---	---	49.9	36.3	36.9	46.2
Ward Ferry Mgmt Ltd. - WF Japan Fund Ltd.	---	---	---	---	---	---	---	8.7	12.4	-7.6
Wellam Investment Limited - Hidaro Fund	---	---	9.4	4.2	3.4	4.0	3.8	4.6	4.9	-6.3
Winnington Capital Limited - Trophy Fund	---	---	---	---	---	76.1	117.8	79.5	84.5	359.7

Maximum	25.9	24.6	26.3	17.5	23.5	76.1	117.8	79.5	84.5	359.7
Median	10.6	10.7	11.8	8.9	11.9	13.7	14.1	11.8	13.3	8.8
Minimum	6.4	7.8	5.0	-1.8	2.1	4.0	2.7	-1.1	-4.7	-27.7
Number of Funds	7	8	13	20	32	42	61	78	90	103
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

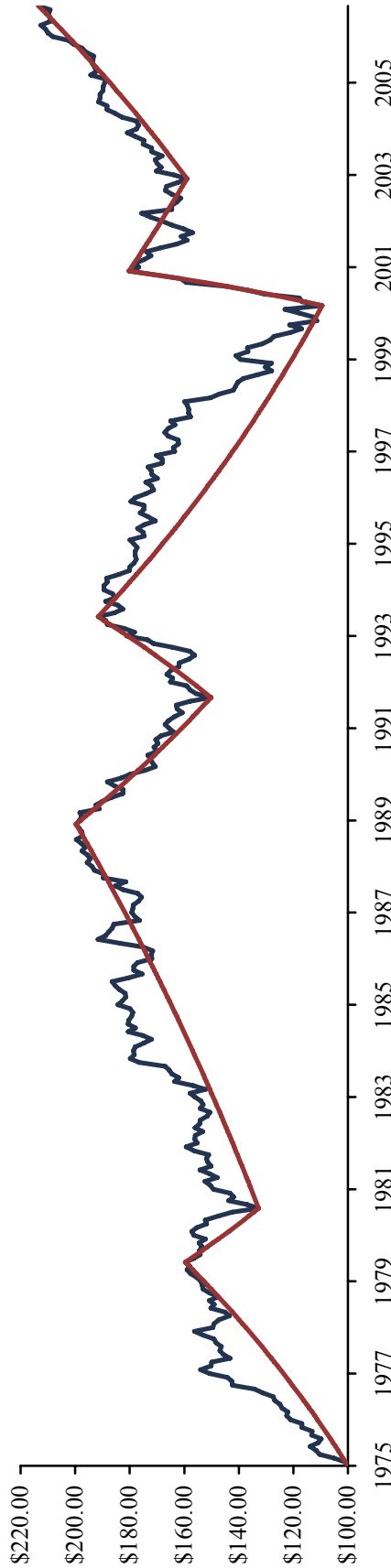
(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 10

S&P 500 EQUITIES BY STYLE

Ratio of Cumulative Wealth of S&P 500/Citigroup Value to S&P 500/Citigroup Growth

May 1, 1975 - December 31, 2006
(April 30, 1975 = \$100.00)



Cumulative Returns

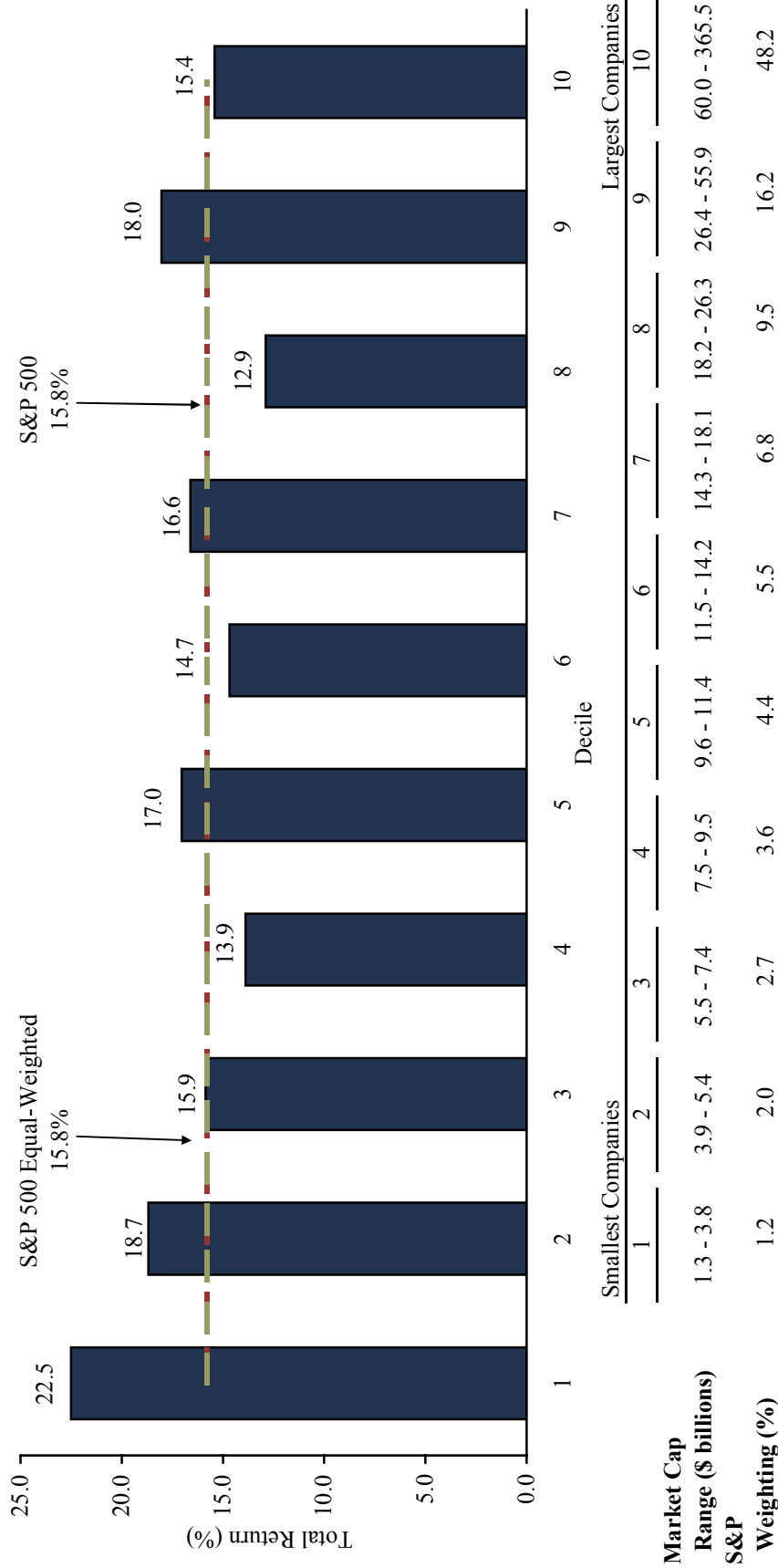
	Growth Outperforms				Value Outperforms						
	10/1/79-11/30/80	4/1/89-12/31/91	10/1/93-6/30/00	4/1/01-3/31/03	Average	5/1/75-9/30/79	12/1/80-3/31/89	1/1/92-9/30/93	7/1/00-3/31/01	4/1/03-12/31/06	Average
Duration of Outperformance (Years)	1.2	2.8	6.8	2.0	3.2	4.4	8.3	1.8	0.8	3.8	3.8
Outperformance (Percentage Points)	25.0	44.0	201.8	9.4	70.1	72.8	122.3	28.2	40.6	52.9	63.4
S&P 500/Citigroup Value Return (%)	23.3	33.6	168.8	-29.4	49.1	94.8	264.8	30.5	3.4	107.3	100.2
S&P 500/Citigroup Growth Return (%)	48.3	77.6	370.6	-19.9	119.1	22.0	142.5	2.4	-37.3	54.4	36.8
S&P 500 Return (%)	36.3	55.5	262.4	-24.6	82.4	52.8	197.4	15.8	-19.5	79.0	65.1

Sources: S&P/Citigroup, BARRA, Inc., and Standard & Poor's.

Notes: When the slope of the line is positive, value outperforms growth. When it is negative, growth outperforms value. The average annual compound returns over the full period, May 1, 1975, through December 31, 2006, are as follows: S&P 500 12.7%, S&P 500/Citigroup Growth 11.2%, and S&P 500/Citigroup Value 13.9%. Since January 1, 2006, value has returned 20.8%, outperforming growth by 979 basis points. As of January 2006, the S&P BARRA Index series was replaced by the S&P/Citigroup Index series.

530m

Exhibit 11
THE MARKET CAPITALIZATION EFFECT:
2006 TOTAL RETURNS FOR S&P 500 MARKET CAPITALIZATION DECILES

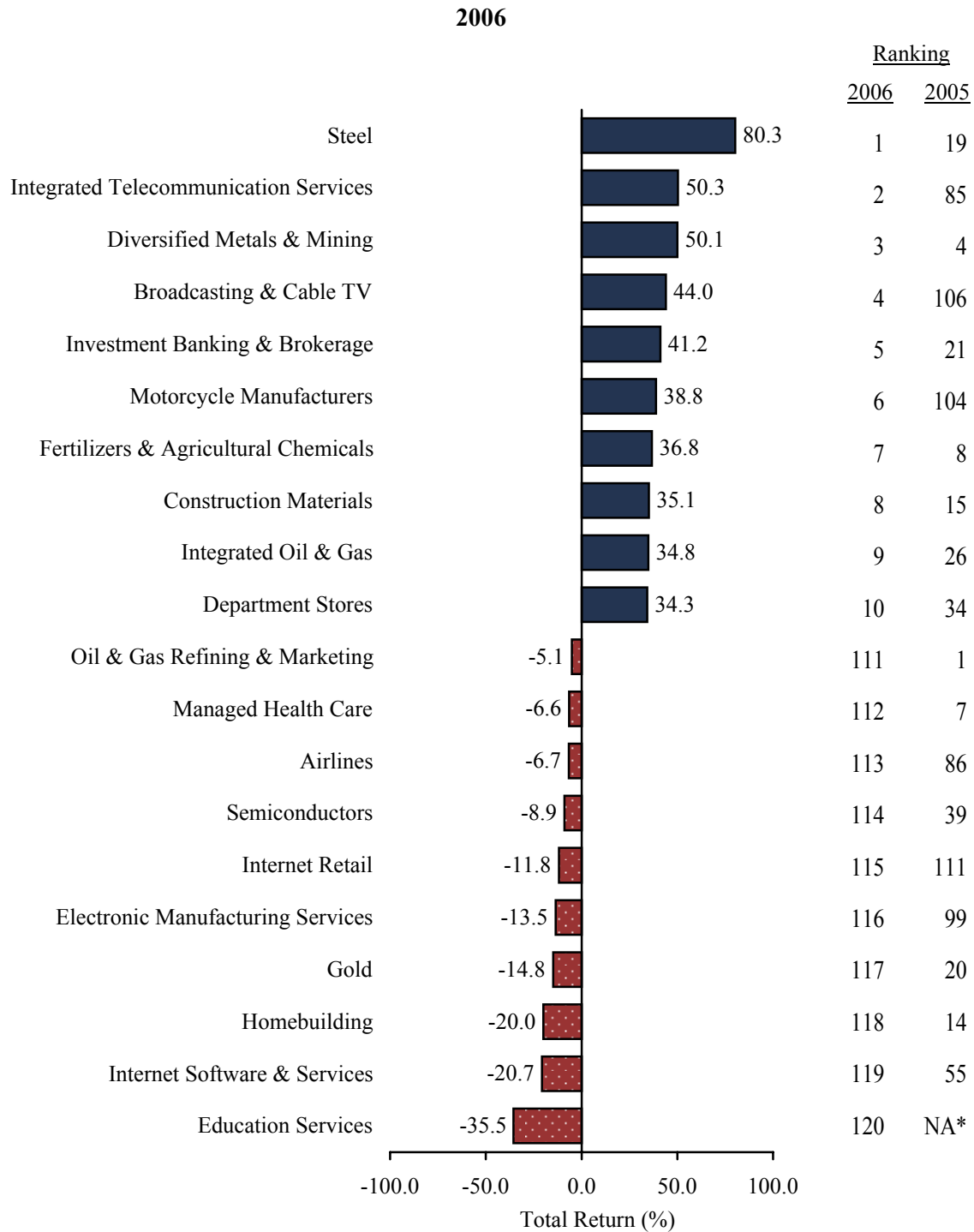


Sources: Factset Research Systems, Standard & Poor's, Standard & Poor's Compustat, and Thomson Datstream.

Notes: Market capitalization is as of December 31, 2005. Data exclude four companies that initially went public and joined the index during 2006.

Exhibit 12

BEST AND WORST PERFORMERS AMONG S&P 500 SUB-INDUSTRIES



Sources: Factset Research Systems and Standard & Poor's.

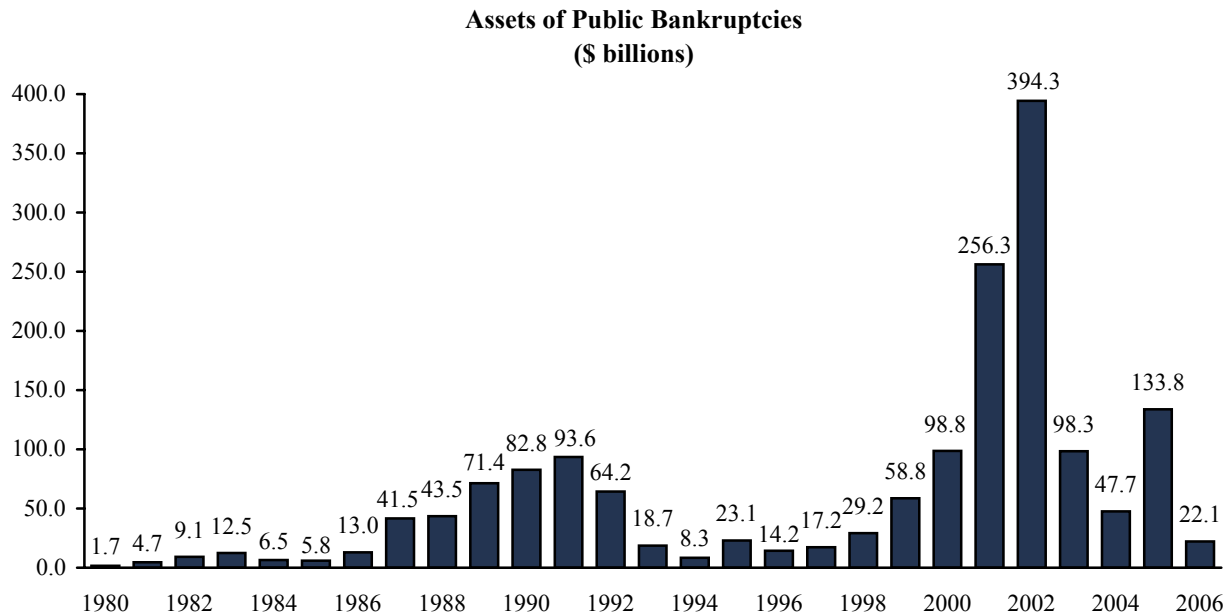
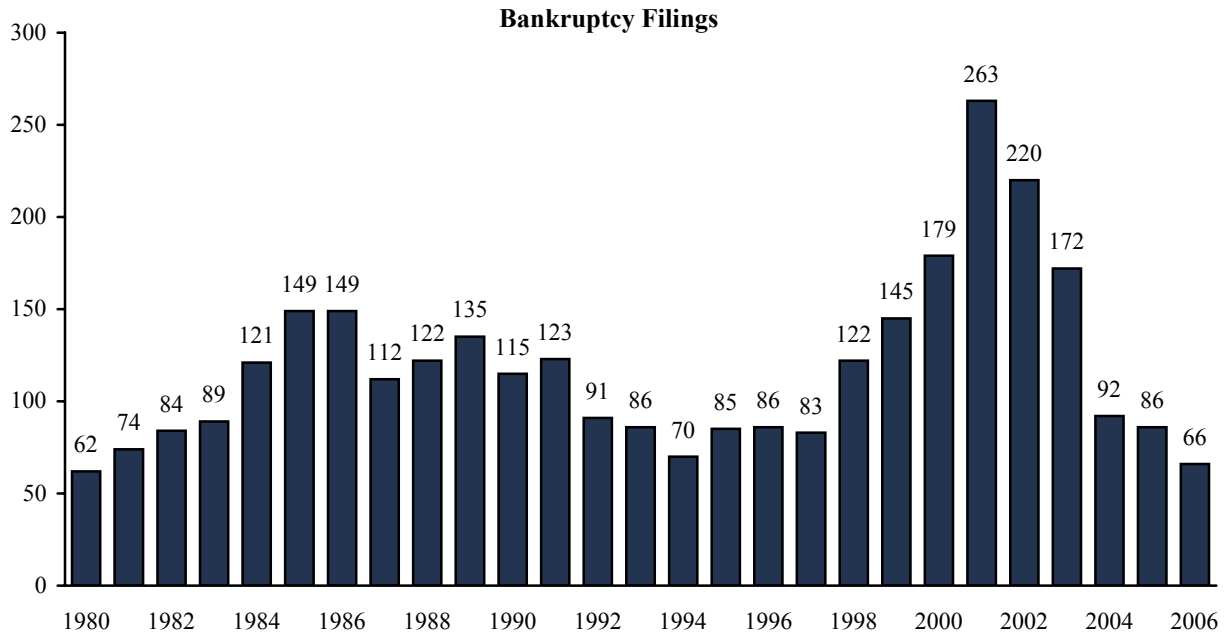
* The total return for 2005 is not available for the S&P 500 Education Services sub-industry.

Distressed Securities

Exhibit 13

**NUMBER OF BANKRUPTCY FILINGS AND
CORRESPONDING ASSETS OF PUBLIC COMPANIES**

1980-2006



Source: New Generation Research, Inc.

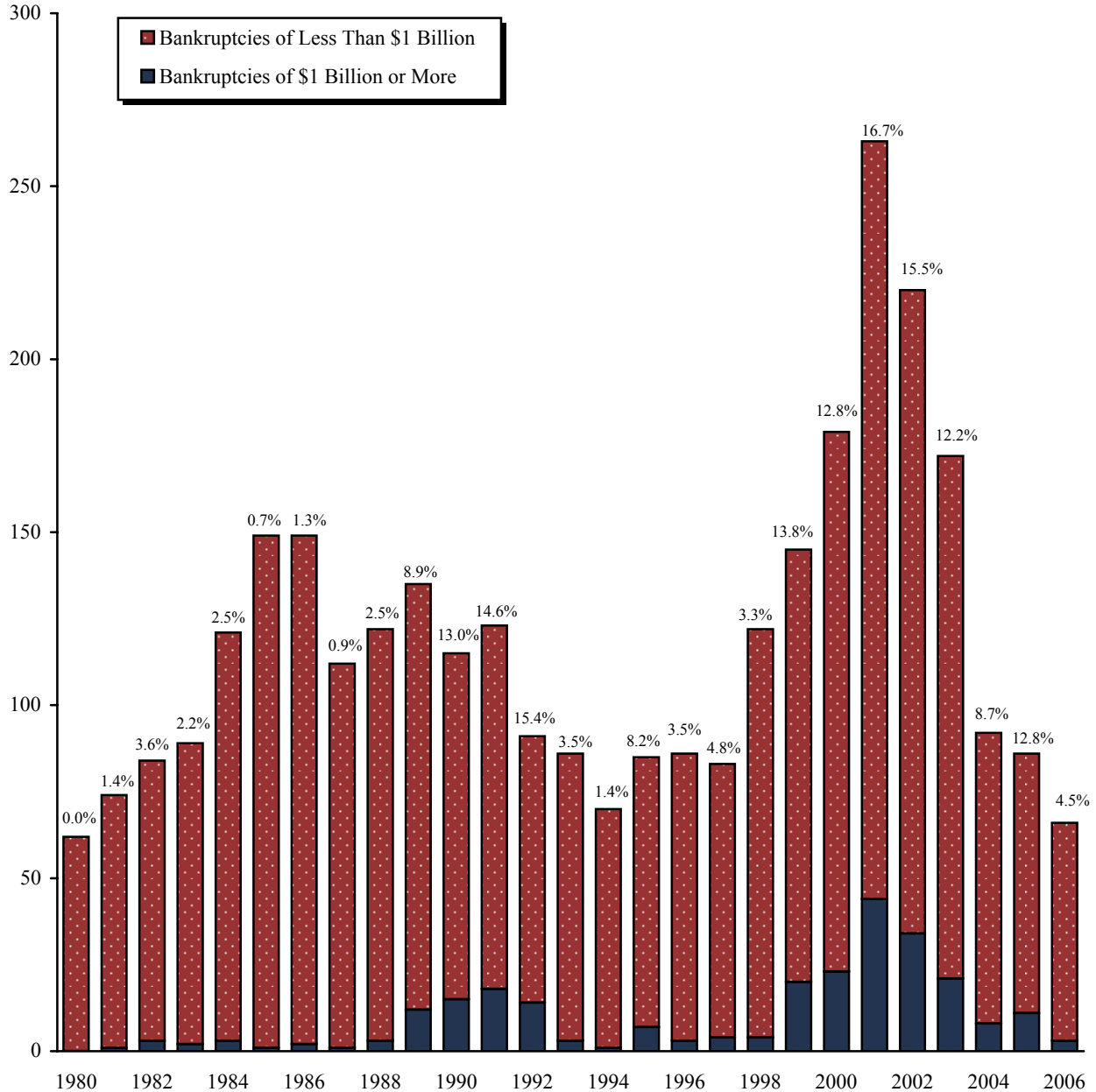
Note: Bankruptcies are measured by total assets prior to filing.

252a

Exhibit 14

NUMBER OF PUBLIC BANKRUPTCIES AND PERCENTAGE WITH ASSETS OF \$1 BILLION OR MORE

1980-2006



Source: New Generation Research, Inc.

Note: Bankruptcies are measured by total assets prior to filing.

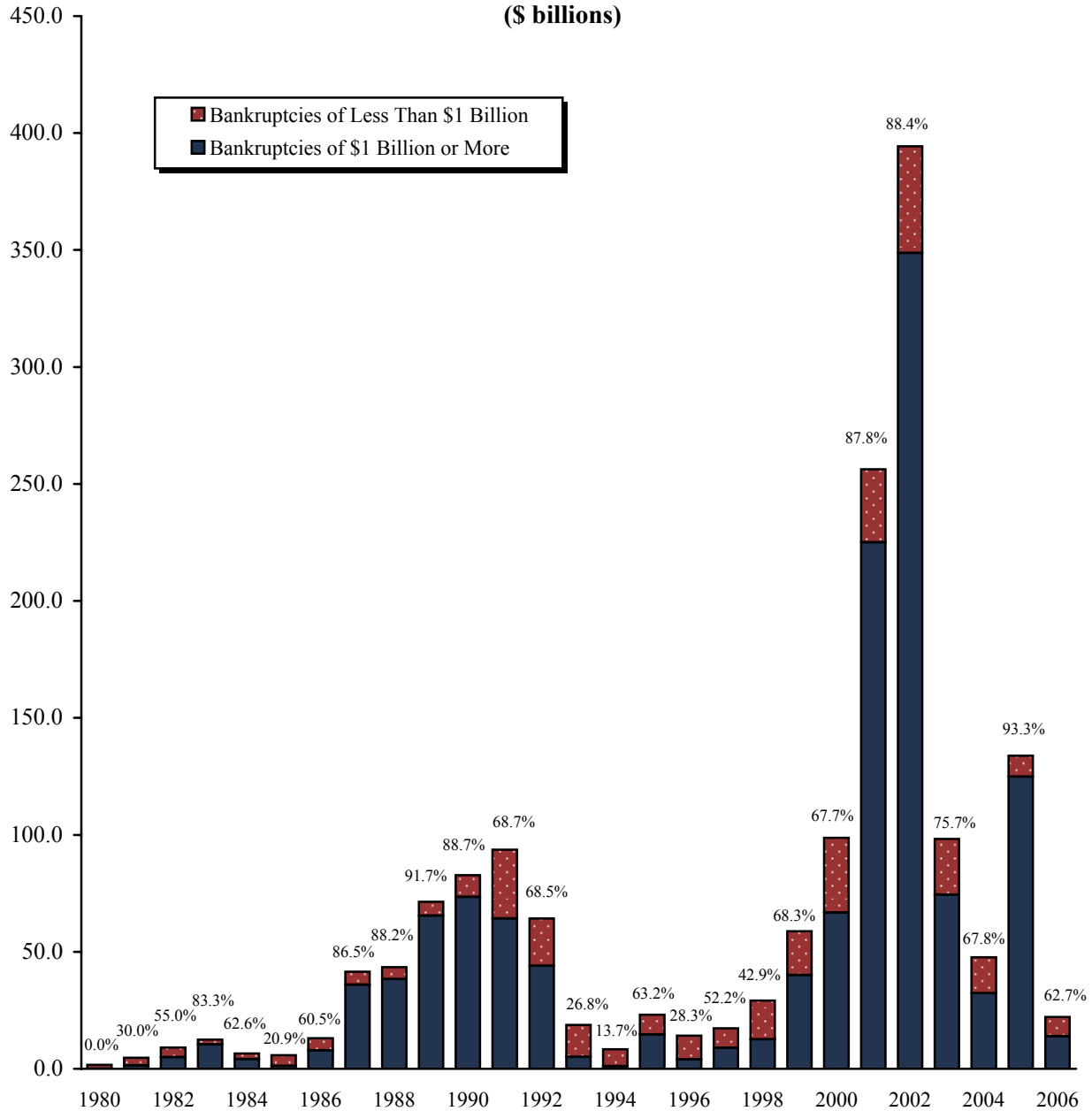
253a

Exhibit 15

TOTAL ASSETS OF PUBLIC BANKRUPTCIES AND PERCENTAGE WITH ASSETS OF \$1 BILLION OR MORE

1980-2006

(\$ billions)



Source: New Generation Research, Inc.

Note: Bankruptcies are measured by total assets prior to filing.

254a

Exhibit 16

LARGEST PUBLIC COMPANY BANKRUPTCIES

2006

<u>Company</u>	<u>Assets</u> <u>(in \$ millions)</u>
Dana Corporation	9,047.0
Sea Containers Ltd.	2,736.1
DURA Automotive Systems, Inc.	2,075.2
Satelites Mexicanos, S.A. de C.V. (2006)	925.3
Pliant Corporation	777.1
OCA, Inc.	660.3
Silicon Graphics, Inc.	452.1
Integrated Electrical Services, Inc.	416.4
Granite Broadcasting Corporation	405.8
Global Power Equipment Group Inc.	<u>381.1</u>
Total	17,876.5

Source: New Generation Research, Inc.

Note: Assets are taken from most recent annual report prior to bankruptcy.

2092a

Exhibit 17

MORTALITY RATES (%) BY ORIGINAL RATING OF ALL RATED CORPORATE BONDS

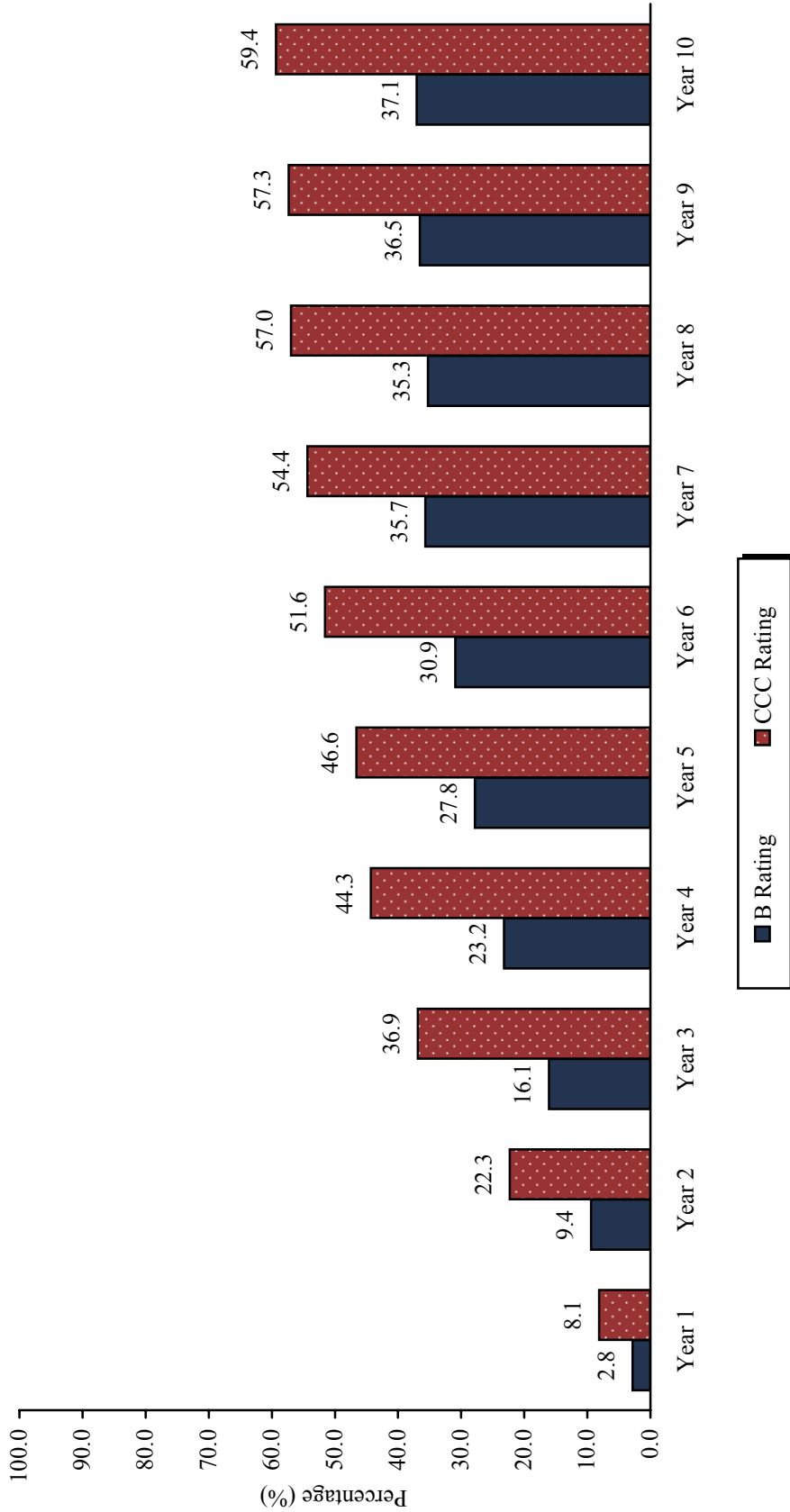
1971-2006

Original Rating	Years After Issuance										
	1	2	3	4	5	6	7	8	9	10	
AAA	Yearly	0.00	0.00	0.00	0.00	0.03	0.01	0.00	0.00	0.00	0.00
	Cumulative	0.00	0.00	0.00	0.00	0.05	0.08	0.09	0.09	0.09	0.09
AA	Yearly	0.00	0.00	0.30	0.14	0.02	0.00	0.00	0.00	0.05	0.01
	Cumulative	0.00	0.00	0.30	0.44	0.46	0.48	0.48	0.48	0.53	0.54
A	Yearly	0.01	0.08	0.02	0.06	0.09	0.05	0.20	0.09	0.09	0.05
	Cumulative	0.01	0.09	0.11	0.17	0.23	0.32	0.37	0.57	0.66	0.71
BBB	Yearly	0.33	3.13	1.34	1.24	0.74	0.31	0.19	0.14	0.14	0.40
	Cumulative	0.33	3.45	4.74	5.92	6.62	7.10	7.33	7.51	7.63	8.00
BB	Yearly	1.15	2.42	4.32	2.26	2.53	1.27	1.11	1.71	1.71	3.47
	Cumulative	1.15	3.54	7.72	9.88	12.10	13.20	14.60	15.56	17.00	19.88
B	Yearly	2.84	6.78	7.35	8.49	6.01	4.32	3.95	2.40	1.96	0.83
	Cumulative	2.84	9.43	16.08	23.21	27.82	30.94	35.67	35.26	36.53	37.06
CCC	Yearly	8.12	15.42	18.75	11.76	4.14	9.33	5.79	5.70	0.85	4.70
	Cumulative	8.12	22.30	36.86	44.30	46.60	51.57	54.38	56.98	57.34	59.36

Sources: Edward I. Altman-NYU Salomon Center and Standard & Poor's.

Notes: Corporate bonds are rated by S&P at issuance. These data are based on 1,955 issues.
2003a

Exhibit 18
MORTALITY RATES (%) BY ORIGINAL RATING OF B AND CCC RATED CORPORATE BONDS
1971-2006



Sources: Edward I. Altman-NYU Salomon Center and Standard & Poor's.

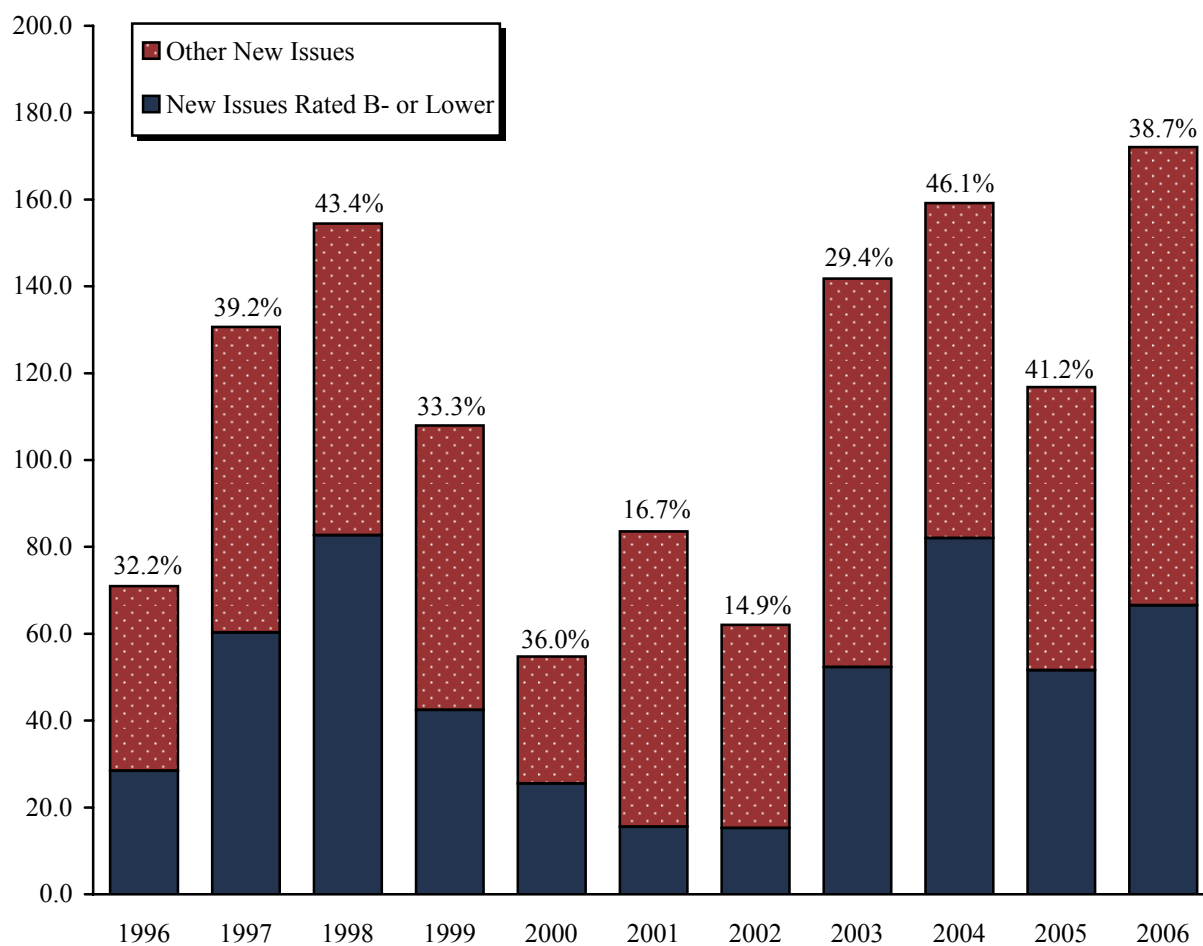
Notes: Data are based on cumulative years after issuance. Corporate bonds are rated by S&P at issuance. These data are based on 1,955 issues.

Exhibit 19

PAR VALUE OF HIGH-YIELD NEW ISSUES AND
PERCENTAGE RATED B- OR LOWER

1996-2006

(\$ billions)

New Issue Volume
(\$ billions)

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
New Issues Rated B- or Lower	28.5	60.2	82.7	42.5	25.5	15.6	15.2	52.3	82.0	51.6	66.5
Other New Issues	42.5	70.4	71.7	65.5	29.3	68.0	46.8	89.5	77.2	65.2	105.6
Total New Issues	71.0	130.7	154.4	108.0	54.8	83.6	62.0	141.8	159.2	116.8	172.1

Sources: Bloomberg and Merrill Lynch & Company.

Notes: Analysis is based on Standard & Poor's ratings. New issue volume has included 144A high-yield new issues. Other new issues include those rated higher than B-. Figures may not total due to rounding.

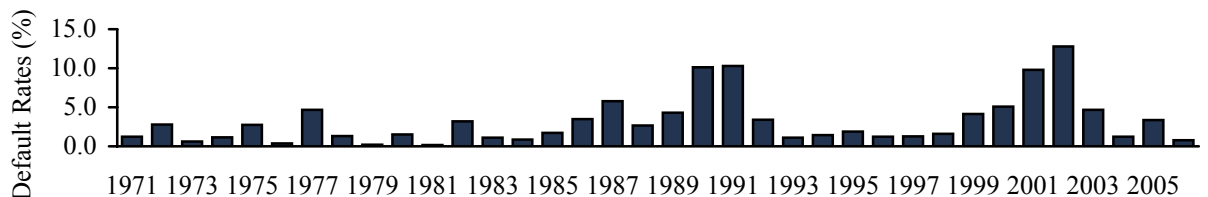
241a

Exhibit 20

HISTORICAL HIGH-YIELD BOND DEFAULT RATES
(Excluding Defaulted Issues in Par Value Outstanding)

1971-2006

<u>Year</u>	<u>Par Value Outstanding (\$ millions)</u>	<u>Par Value Defaults (\$ millions)</u>	<u>Default Rates (%)</u>
1971	6,602	82	1.2
1972	6,928	193	2.8
1973	7,824	49	0.6
1974	10,894	123	1.1
1975	7,471	204	2.7
1976	7,735	30	0.4
1977	8,157	381	4.7
1978	8,946	119	1.3
1979	10,356	20	0.2
1980	14,935	224	1.5
1981	17,115	27	0.2
1982	18,109	577	3.2
1983	27,492	301	1.1
1984	40,939	344	0.8
1985	58,088	992	1.7
1986	90,243	3,156	3.5
1987	129,557	7,486	5.8
1988	148,187	3,944	2.7
1989	189,258	8,110	4.3
1990	181,000	18,354	10.1
1991	183,600	18,862	10.3
1992	163,000	5,545	3.4
1993	206,907	2,287	1.1
1994	235,000	3,418	1.5
1995	240,000	4,551	1.9
1996	271,000	3,336	1.2
1997	335,400	4,200	1.3
1998	465,500	7,464	1.6
1999	567,400	23,532	4.1
2000	597,200	30,295	5.1
2001	649,000	63,609	9.8
2002	757,000	96,858	12.8
2003	825,000	38,451	4.7
2004	933,100	11,657	1.2
2005	1,073,000	36,209	3.4
2006	993,600	7,559	0.8



(1971-2006) Simple Average Default Rate: 3.17% Standard Deviation: 3.07%
 (1971-2006) Weighted Average Default Rate: 4.24%

Source: Edward I. Altman-NYU Salomon Center.

Notes: The weighted average is calculated by the par value of amount outstanding for each year. Par value outstanding totals are as of mid-year.

244a

Exhibit 21

REPRESENTATIVE DISTRESSED SECURITIES MANAGERS

Annual Returns (%)

Hedge Fund Structure	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Ahab Capital Management - Ahab Funds	24.4	5.4	31.5	-22.5	25.2	16.0	31.0	12.9	10.6	10.1
Angelo, Gordon & Co. L.P. - AG Eleven Partners, L.P.	25.3	10.4	15.6	4.8	31.2	-6.8	51.3	13.2	11.2	12.3
Asia Debt Mgmt Hong Kong Ltd. - ADM Galleus Fund	---	---	---	8.4	16.3	20.8	18.4	17.4	8.9	1.9
Avenue Capital Group - Avenue Asia Investments, L.P.	---	---	---	24.1	15.5	16.1	22.5	15.7	7.7	-4.0
Avenue Capital Group - Avenue Europe Investments, L.P.	---	---	---	---	---	---	---	---	10.4	11.6
Avenue Capital Group - Avenue Investments, L.P.	19.9	-5.9	15.0	4.2	7.0	12.0	28.6	9.4	7.9	12.6
Bay Harbour Investments - Bay Harbour 90-1, L.P.	14.3	-7.7	26.7	-5.8	11.1	-26.2	30.9	30.8	21.4	39.8
Bennett Management - Bennett Restructuring Funds	10.7	-1.1	10.7	1.2	14.8	11.7	34.5	15.6	4.0	22.1
Blackstone Alt. Asset Mgmt - Blackstone Distressed	---	---	---	---	---	---	---	---	---	9.3
Cerberus Capital Mgmt - Cerberus Partners, L.P.	18.7	4.9	14.0	4.4	13.0	9.4	18.1	18.5	21.8	18.6
Contrarian Capital Mgmt - Contrarian Capital Fund I, L.P.	10.6	-5.7	1.3	-13.6	18.1	11.9	38.9	18.5	12.0	18.6
Contrarian Capital Mgmt - Contrarian Long Short, L.P.	---	---	---	---	---	---	27.3	10.1	10.1	12.4
Durham Asset Management - American Durham, L.P.	---	---	---	---	---	---	27.5	10.7	17.2	17.5
EBF & Associates - Tamarack International Ltd.	---	---	---	---	---	6.0	13.9	11.1	3.9	12.9
Fir Tree Partners - Fir Tree Recovery Master Fund, L.P.	---	---	---	---	42.9	14.1	20.1	10.0	4.5	13.5
Gramercy Advisors LLC - Gramercy Emerging Markets LLC	---	---	---	35.2	16.4	2.6	9.6	20.5	-7.7	23.5
Intermarket Corporation - Fernwood Associates LLC	25.9	-6.7	6.9	7.5	17.2	-4.0	37.6	13.8	13.7	14.3
Kellner DiLeo & Co. - KDC Distressed and High Income	---	---	---	---	---	4.9	17.8	7.4	8.5	18.0
Lampe, Conway & Co. - LC Capital Master Fund, Ltd.	---	---	---	1.7	15.9	29.0	47.4	25.4	2.9	18.1
New Generation Advisers - New Generation, L.P.	12.4	13.2	23.0	4.4	21.7	-9.1	55.1	18.6	3.9	19.4
ORN Capital Ltd. - ORN European Distressed Debt Fund Ltd.	---	---	---	---	---	---	50.9	28.3	-5.0	18.4
Post Advisory Group - Post Distressed Composite (n)	---	---	---	4.6	27.3	5.4	31.6	9.4	10.6	12.4
Private Advisors - Distressed Opps Fund, L.P.	---	---	---	---	---	---	30.1	13.4	7.6	13.9
Restoration Capital Mgmt - Restoration Holdings, Ltd.	---	---	---	---	---	3.7	24.3	20.1	11.6	12.5
Resurgence Asset Mgmt - M.D. Sass Re/Enterprise Partners, L.P.	-4.6	22.0	48.0	5.7	13.4	3.0	11.0	24.1	13.4	19.8
Ross (W.L.) & Company - Absolute Recovery Hedge Fund, L.P.	---	---	---	---	---	8.8	6.1	7.9	6.8	7.5
Satellite Asset Management, L.P. - Credit Opps Fund, Ltd.	---	---	---	---	---	-1.5	24.1	11.9	6.8	11.6
Scott's Cove Capital Mgmt - Scott's Cove Special Credits Fund I	---	---	-0.9	3.2	10.1	6.6	21.3	13.1	-0.9	12.4
Silver Point Capital - Silver Point Capital Fund, L.P.	---	---	---	---	---	---	51.8	25.6	12.3	17.2
Värde Partners - Värde U.S. Composite	---	---	---	---	---	---	---	9.7	4.4	2.6
York Capital Mgmt - York Credit Opportunities Unit Trust	---	---	0.1	14.1	14.4	6.7	0.1	17.5	10.7	6.4
Maximum	25.9	22.0	48.0	35.2	42.9	29.0	55.1	30.8	21.8	39.8
Median	0.0	0.0	0.0	0.0	11.1	3.7	24.3	13.4	8.5	12.9
Minimum	-4.6	-7.7	-0.9	-22.5	7.0	-26.2	0.1	7.4	-7.7	-4.0
Number of Funds	10	10	12	17	18	23	28	29	30	31
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 21 (continued)

REPRESENTATIVE DISTRESSED SECURITIES MANAGERS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Hedge Fund Structure	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Ahab Capital Management - Ahab Funds	13.3	12.2	13.0	10.6	17.4	15.9	15.9	11.2	10.4	10.1
Angelo, Gordon & Co. L.P. - AG Eleven Partners, L.P.	15.9	14.9	15.5	15.5	17.4	14.8	20.9	12.3	11.8	12.3
Asia Debt Mgmt Hong Kong Ltd. - ADM Galleus Fund	---	---	---	13.0	13.8	13.3	11.4	9.2	5.4	1.9
Avenue Capital Group - Avenue Asia Investments, L.P.	---	---	---	13.6	11.9	11.2	10.0	6.2	1.7	-4.0
Avenue Capital Group - Avenue Europe Investments, L.P.	---	---	---	---	---	---	---	---	11.0	11.6
Avenue Capital Group - Avenue Investments, L.P.	10.7	9.7	11.9	11.4	12.7	13.9	14.3	9.9	10.2	12.6
Bay Harbour Investments - Bay Harbour 90-1, L.P.	11.6	11.3	14.0	12.2	15.6	16.5	30.6	30.5	30.3	39.8
Bennett Management - Bennett Restructuring Funds	12.0	12.1	13.9	14.4	16.7	17.1	18.5	13.6	12.7	22.1
Blackstone Alt. Asset Mgmt - Blackstone Distressed	---	---	---	---	---	---	---	---	---	9.3
Cerberus Capital Mgmt - Cerberus Partners, L.P.	14.0	13.5	14.6	14.7	16.5	17.2	19.2	19.6	20.2	18.6
Contrarian Capital Mgmt - Contrarian Capital Fund I, L.P.	10.2	10.1	12.3	14.0	19.3	19.6	21.6	16.3	15.2	18.6
Contrarian Capital Mgmt - Contrarian Long Short, L.P.	---	---	---	---	---	---	14.7	10.9	11.2	12.4
Durham Asset Management - American Durham, L.P.	---	---	---	---	---	---	18.1	15.1	17.3	17.5
EBF & Associates - Tamarack International Ltd.	---	---	---	---	---	9.5	10.4	9.2	8.3	12.9
Fir Tree Partners - Fir Tree Recovery Master Fund, L.P.	---	---	---	---	16.9	12.3	11.9	9.2	8.9	13.5
Gramercy Advisors LLC - Gramercy Emerging Markets LLC	---	---	---	13.5	10.3	9.1	10.8	11.1	6.7	23.5
Intermarket Corporation - Fernwood Associates LLC	11.9	10.5	12.9	13.7	14.8	14.3	19.4	13.9	14.0	14.3
Kellner DiLeo & Co. - KDC Distressed and High Income	---	---	---	---	---	11.2	12.8	11.2	13.1	18.0
Lampe, Conway & Co. - LC Capital Master Fund, Ltd.	---	---	---	19.2	22.4	23.7	22.4	15.1	10.2	18.1
New Generation Advisers - New Generation, L.P.	15.2	15.5	15.8	14.9	16.7	15.7	22.9	13.7	11.4	19.4
ORN Capital Ltd. - ORN European Distressed Debt Fund Ltd.	---	---	---	---	---	---	21.5	13.0	6.1	18.4
Post Advisory Group - Post Distressed Composite (n)	---	---	---	14.1	15.8	13.6	15.7	10.8	11.5	12.4
Private Advisors - Distressed Opps Fund, L.P.	---	---	---	---	---	---	16.0	11.6	10.7	13.9
Restoration Capital Mgmt - Restoration Holdings, Ltd.	---	---	---	---	---	14.2	17.0	14.6	12.0	12.5
Resurgence Asset Mgmt - M.D. Sass Re/Enterprise Partners, L.P.	14.8	17.2	16.6	12.7	13.9	14.0	17.0	19.0	16.5	19.8
Ross (W.L.) & Company - Absolute Recovery Hedge Fund, L.P.	---	---	---	---	---	7.4	7.1	7.4	7.1	7.5
Satellite Asset Management, L.P. - Credit Opps Fund, Ltd.	---	---	---	---	---	10.3	13.4	10.1	9.2	11.6
Scott's Cove Capital Mgmt - Scott's Cove Special Credits Fund I	---	---	7.9	9.2	10.2	10.2	11.2	8.0	5.5	12.4
Silver Point Capital - Silver Point Capital Fund, L.P.	---	---	---	---	---	---	25.9	18.2	14.7	17.2
Värde Partners - Värde U.S. Composite	---	---	---	---	---	---	---	5.5	3.5	2.6
York Capital Mgmt - York Credit Opportunities Unit Trust	---	---	8.6	9.8	9.1	8.1	8.5	11.4	8.5	6.4
Maximum	15.9	17.2	16.6	19.2	22.4	23.7	30.6	30.5	30.3	39.8
Median	0.0	0.0	0.0	9.8	10.3	11.2	15.7	11.2	10.7	12.9
Minimum	10.2	9.7	7.9	9.2	9.1	7.4	7.1	5.5	1.7	-4.0
Number of Funds	10	10	12	17	18	23	28	29	30	31
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 21 (continued)

REPRESENTATIVE DISTRESSED SECURITIES MANAGERS

Annual Returns (%)

<u>Distressed Securities</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Anchorage Capital Group - Anchorage Capital Partners	---	---	---	---	---	---	---	22.3	8.1	22.7
Argyle Street Mgmt - ASM Asia Recovery Fund	---	---	---	---	---	---	---	16.8	4.3	20.9
Arx Inv. Mgmt - ARX Global High Yield Securities Ltd	---	---	---	---	---	---	23.4	17.9	6.3	14.6
BlackRock, Inc - The Galaxite Fund LLC	---	---	---	---	---	---	---	---	8.8	6.9
Catalyst Inv. Mgmt Co. - Catalyst Credit Opp. Master Fund.	---	---	---	---	---	---	---	25.1	3.4	10.4
Davidson Kempner Capital Mgmt - Distressed Opportunities Fund	---	---	---	---	---	---	---	---	---	30.7
Deltec Asset Management - Deltec Recovery Fund, L.P.	---	---	---	---	---	4.3	37.7	26.0	-4.9	31.4
Epic Asset Management - Epic Distressed Debt Opportunity Fund	---	---	---	---	---	---	30.9	23.2	3.9	25.1
ING Ghent Asset Mgmt - Select Hedged High-Yield Fund, L.P.	---	---	---	---	---	---	---	4.9	0.8	4.7
Longacre Management, LLC - Longacre Capital Partners, L.P.	---	---	---	16.3	11.9	-0.9	19.2	20.5	12.6	21.4
Longacre Management, LLC - Longacre Capital Partners (QP), L.P.	---	---	---	---	---	---	---	19.2	10.4	21.5
Mason Capital Mgmt - Mason Sunnyside Credit Fund, L.P.	---	---	---	---	---	---	---	---	1.4	16.3
Oak Hill Advisors, L.P. - Oak Hill Credit Alpha Funds	---	---	---	---	---	---	---	10.0	7.6	15.3
Ore Hill Partners, LLC - Ore Hill Fund, L.P.	---	---	---	---	---	---	48.6	22.7	12.5	13.7
Outrider Management LLC - Outrider Master Fund, L.P.	---	---	---	---	---	---	---	---	6.3	20.0
Sankaty Advisors - Prospect Harbor Credit Partners	---	---	---	---	---	---	---	---	5.6	12.0
Maximum	---	---	---	16.3	11.9	4.3	48.6	26.0	12.6	31.4
Median	---	---	---	16.3	11.9	1.7	30.9	20.5	6.3	18.2
Minimum	---	---	---	16.3	11.9	-0.9	19.2	4.9	-4.9	4.7
Number of Funds	0	0	0	1	1	2	5	11	15	16
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 21 (continued)

REPRESENTATIVE DISTRESSED SECURITIES MANAGERS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

<u>Distressed Securities</u>	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Anchorage Capital Group - Anchorage Capital Partners	---	---	---	---	---	---	---	17.5	15.2	22.7
Argyle Street Mgmt - ASM Asia Recovery Fund	---	---	---	---	---	---	---	13.8	12.3	20.9
Arx Inv. Mgmt - ARX Global High Yield Securities Ltd	---	---	---	---	---	---	15.4	12.8	10.4	14.6
BlackRock, Inc - The Galaxite Fund LLC	---	---	---	---	---	---	---	---	7.8	6.9
Catalyst Inv. Mgmt Co. - Catalyst Credit Opp. Master Fund.	---	---	---	---	---	---	---	12.6	6.9	10.4
Davidson Kempner Capital Mgmt - Distressed Opportunities Fund	---	---	---	---	---	---	---	---	---	30.7
Deltec Asset Management - Deltec Recovery Fund, L.P.	---	---	---	---	---	17.7	21.3	16.3	11.8	31.4
Epic Asset Management - Epic Distressed Debt Opportunity Fund	---	---	---	---	---	---	20.3	17.0	14.0	25.1
ING Ghent Asset Mgmt - Select Hedged High-Yield Fund, L.P.	---	---	---	---	---	---	---	3.4	2.7	4.7
Longacre Management, LLC - Longacre Capital Partners, L.P.	---	---	---	14.2	13.9	14.3	18.4	18.1	16.9	21.4
Longacre Management, LLC - Longacre Capital Partners (QP), L.P.	---	---	---	---	---	---	---	16.9	15.8	21.5
Mason Capital Mgmt - Mason Sunnyside Credit Fund, L.P.	---	---	---	---	---	---	---	---	8.6	16.3
Oak Hill Advisors, L.P. - Oak Hill Credit Alpha Funds	---	---	---	---	---	---	---	10.9	11.4	15.3
Ore Hill Partners, LLC - Ore Hill Fund, L.P.	---	---	---	---	---	---	23.6	16.2	13.1	13.7
Outrider Management LLC - Outrider Master Fund, L.P.	---	---	---	---	---	---	---	---	13.0	20.0
Sankaty Advisors - Prospect Harbor Credit Partners	---	---	---	---	---	---	---	---	8.8	12.0
Maximum	---	---	---	14.2	13.9	17.7	23.6	18.1	16.9	31.4
Median	---	---	---	14.2	13.9	16.0	20.3	16.2	11.8	18.2
Minimum	---	---	---	14.2	13.9	14.3	15.4	3.4	2.7	4.7
Number of Funds	0	0	0	1	1	2	5	11	15	16
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 21 (continued)

REPRESENTATIVE DISTRESSED SECURITIES MANAGERS

Annual Returns (%)

Long-Term, Venture Capital Structure	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Angelo, Gordon & Co. - AG Cap. Recovery Partners II, L.P.	---	---	---	---	---	-5.2	50.3	27.3	27.7	15.2
Angelo, Gordon & Co. - Cap. Recovery Partners III, L.P.	---	---	---	---	---	---	60.4	28.2	35.9	73.0
Oaktree Capital Mgmt - Oaktree Opportunities Fund	22.0	3.0	9.8	4.2	12.6	7.4	36.3	31.2	13.1	27.2
Tennenbaum Capital Partners - Special Val. Abs. Ret.	---	---	---	---	---	---	33.0	18.2	11.1	18.5
Tennenbaum Capital Partners - Special Val. Bond II	---	---	---	---	28.4	20.4	45.8	23.7	14.5	17.4
Tennenbaum Capital Partners - Special Val. Bond	---	---	---	22.2	34.8	37.3	25.9	4.5	12.1	-7.3
Tennenbaum Capital Partners - Special Value Continuation	---	---	---	---	---	---	---	---	11.5	19.8
Tennenbaum Capital Partners - Special Value Opportunities	27.9	-30.8	-5.2	62.3	31.9	23.4	56.3	15.9	9.6	28.5
Värde Partners - The Värde Fund VI, L.P.	---	---	---	---	---	-2.9	52.4	38.6	8.5	12.2
Maximum	27.9	3.0	9.8	62.3	34.8	37.3	60.4	38.6	35.9	73.0
Median	25.0	-13.9	2.3	22.2	30.2	13.9	48.0	25.5	12.1	18.5
Minimum	22.0	-30.8	-5.2	4.2	12.6	-5.2	25.9	4.5	8.5	-7.3
Number of Funds	2	2	2	3	4	6	8	8	9	9
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 21 (continued)

REPRESENTATIVE DISTRESSED SECURITIES MANAGERS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Long-Term, Venture Capital Structure	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Angelo, Gordon & Co. - AG Cap. Recovery Partners II, L.P.	---	---	---	---	---	21.7	29.5	23.3	21.3	15.2
Angelo, Gordon & Co. - Cap. Recovery Partners III, L.P.	---	---	---	---	---	---	40.9	40.9	32.0	35.9
Oaktree Capital Mgmt - Oaktree Opportunities Fund	16.2	15.5	17.2	18.3	20.8	22.5	26.6	23.6	19.9	27.2
Tennenbaum Capital Partners - Special Val. Abs. Ret.	---	---	---	---	---	---	19.9	15.9	14.7	18.5
Tennenbaum Capital Partners - Special Val. Bond II	---	---	---	---	24.6	23.9	24.8	18.5	15.9	17.4
Tennenbaum Capital Partners - Special Val. Bond	---	---	---	17.5	16.8	13.4	8.2	2.8	2.0	-7.3
Tennenbaum Capital Partners - Special Value Continuation	---	---	---	---	---	---	---	---	15.6	19.8
Tennenbaum Capital Partners - Special Val. Opportunities	18.9	18.0	26.1	31.3	26.8	25.8	26.3	17.7	18.6	28.5
Värde Partners - The Värde Fund VI, L.P.	---	---	---	---	---	20.1	26.6	19.1	10.3	12.2
Maximum	18.9	18.0	26.1	31.3	26.8	25.8	40.9	40.9	32.0	35.9
Median	17.54	16.74	21.64	18.3	22.73	22.23	26.49	18.76	15.94	18.53
Minimum	16.2	15.5	17.2	17.5	16.8	13.4	8.2	2.8	2.0	-7.3
Number of Funds	2	2	2	3	4	6	8	8	9	9
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 21 (continued)

REPRESENTATIVE DISTRESSED SECURITIES MANAGERS

Annual Returns (%)

<u>Short-Biased Credit</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Pequot Capital Mgmt - Pequot Credit Opportunities Fund, L.P.	---	---	---	---	---	---	---	4.0	3.1	7.4
Standard Pacific Capital - Asymmetric Opportunities Fund, L.P.	---	---	---	---	---	---	---	---	---	-15.4
Standard Pacific Capital - Credit Opportunities Fund, L.P.	---	---	---	---	---	---	-5.2	-0.7	7.3	-6.3
Maximum	---	---	---	---	---	---	-5.2	4.0	7.3	7.4
Median	---	---	---	---	---	---	-5.2	1.7	5.2	-6.3
Minimum	---	---	---	---	---	---	-5.2	-0.7	3.1	-15.4
Number of Funds	0	0	0	0	0	0	1	2	2	3
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 21 (continued)

REPRESENTATIVE DISTRESSED SECURITIES MANAGERS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

<u>Short-Biased Credit</u>	<u>10 Yrs</u>	<u>9 Yrs</u>	<u>8 Yrs</u>	<u>7 Yrs</u>	<u>6 Yrs</u>	<u>5 Yrs</u>	<u>4 Yrs</u>	<u>3 Yrs</u>	<u>2 Yrs</u>	<u>1 Yr</u>
Pequot Capital Mgmt - Pequot Credit Opportunities Fund, L.P.	---	---	---	---	---	---	---	4.8	5.2	7.4
Standard Pacific Capital - Asymmetric Opportunities Fund, L.P.	---	---	---	---	---	---	---	---	---	-15.4
Standard Pacific Capital - Credit Opportunities Fund, L.P.	---	---	---	---	---	---	-1.4	0.0	0.3	-6.3
Maximum	---	---	---	---	---	---	-1.4	4.8	5.2	7.4
Median	---	---	---	---	---	---	-1.4	2.4	2.7	-6.3
Minimum	---	---	---	---	---	---	-1.4	-0.1	0.3	-15.4
Number of Funds	0	0	0	0	0	0	1	2	2	3
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 22
CORPORATE BOND DEFAULTS BY INDUSTRY

	1995-2006												
	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total</u>
Auto/Motor Carrier	1	---	---	---	1	---	---	1	---	---	4	3	10
Conglomerates	---	---	---	---	---	1	---	---	1	1	---	---	3
Energy	1	---	---	1	13	1	---	8	9	---	1	---	34
Financial Services	2	1	2	6	1	6	4	5	6	2	3	2	40
Leisure/Entertainment	3	1	5	5	8	9	6	5	6	---	---	3	51
General Manufacturing	8	6	7	6	16	23	43	22	13	17	12	6	179
Health Care	2	---	---	2	8	6	3	4	3	---	2	---	30
Miscellaneous Industries	1	---	3	3	16	34	38	25	16	6	1	4	147
Real Estate/Construction	2	1	2	1	4	6	4	3	---	2	1	---	26
REITs	---	---	---	---	---	---	---	1	---	---	---	---	1
Retailing	6	3	6	6	12	7	12	5	5	3	2	2	69
Communications	2	2	1	6	11	8	39	26	21	6	3	2	127
Transportation (non-auto)	---	---	2	1	8	5	7	7	6	2	5	1	44
Utilities	---	1	1	---	---	1	---	---	---	---	---	---	3
Total	28	15	29	37	98	107	156	112	86	39	34	23	764

Source: Edward I. Altman-NYU Salomon Center.

Exhibit 23

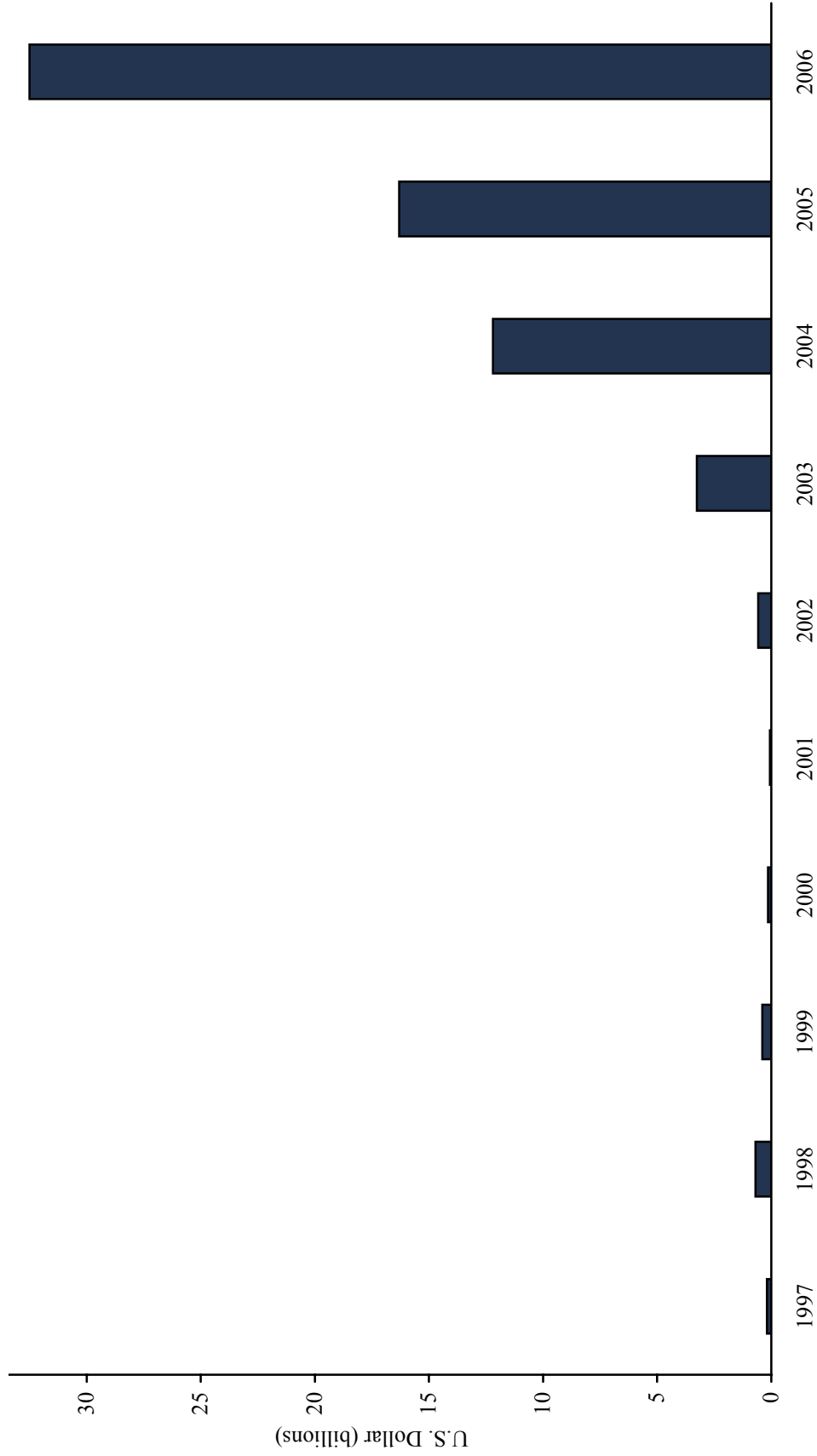
WEIGHTED AVERAGE RECOVERY RATES ON DEFAULTED DEBT BY SENIORITY PER \$100 FACE AMOUNT

1978-2006

Default Year	Senior Secured		Senior Unsecured		Senior Subordinated		Subordinated		Discount & Zero Coupon		All Seniorities	
	#	Dollar Value	#	Dollar Value	#	Dollar Value	#	Dollar Value	#	Dollar Value	#	Dollar Value
1978			1	\$60.00							1	\$60.00
1979							1	\$31.00			1	\$31.00
1980			2	\$26.71			2	\$16.63			4	\$21.67
1981	1	\$72.00									1	\$72.00
1982			16	\$39.31			4	\$32.91			20	\$38.03
1983	1	\$71.00	3	\$67.72			4	\$41.79			8	\$55.17
1984	4	\$53.42	1	\$50.50	2	\$65.88	7	\$44.68			14	\$50.62
1985	2	\$74.25	3	\$34.81	7	\$36.18	15	\$41.45			27	\$41.78
1986	8	\$48.32	11	\$37.72	7	\$35.20	30	\$33.39			56	\$36.60
1987	4	\$90.68	17	\$72.02	6	\$56.24	4	\$35.25			31	\$66.63
1988	13	\$67.96	19	\$41.99	10	\$30.70	20	\$35.27			62	\$43.45
1989	9	\$82.69	16	\$53.70	21	\$19.60	30	\$23.95			76	\$35.97
1990	12	\$32.18	31	\$29.02	38	\$25.01	24	\$18.83	11	\$15.63	116	\$24.66
1991	4	\$44.12	69	\$55.84	37	\$31.91	38	\$24.30	9	\$27.89	157	\$40.67
1992	15	\$59.85	8	\$35.61	17	\$58.20	22	\$49.13	5	\$19.82	67	\$50.03
1993	2	\$55.75	7	\$33.38	10	\$51.50	9	\$28.38	4	\$31.75	32	\$38.83
1994	5	\$48.66	8	\$51.14	5	\$19.81	3	\$37.04	1	\$5.00	22	\$39.44
1995	5	\$44.64	9	\$50.50	17	\$39.01	1	\$20.00	1	\$17.50	33	\$41.77
1996	4	\$59.08	4	\$50.11	9	\$48.99	4	\$44.23	3	\$11.99	24	\$45.44
1997	4	\$74.90	12	\$70.94	6	\$31.89	1	\$60.00	2	\$19.00	25	\$57.61
1998	6	\$70.38	21	\$39.57	6	\$17.54	0	\$0.00	1	\$17.00	34	\$40.46
1999	14	\$26.90	60	\$42.54	40	\$23.56	2	\$13.88	11	\$17.30	127	\$32.20
2000	13	\$39.58	47	\$25.40	61	\$25.96	26	\$26.62	17	\$23.61	164	\$26.74
2001	9	\$40.95	187	\$28.84	48	\$18.37	0	\$0.00	37	\$15.05	281	\$25.62
2002	37	\$52.81	254	\$21.82	21	\$32.79	0	\$0.00	28	\$26.47	340	\$26.25
2003	57	\$53.51	108	\$45.40	29	\$35.98	1	\$38.00	8	\$32.27	203	\$45.78
2004	27	\$63.67	33	\$56.77	2	\$37.44	0	\$0.00	7	\$43.06	69	\$57.72
2005	67	\$76.50	44	\$45.88	7	\$32.67	0	\$0.00	5	\$14.86	123	\$60.55
2006	9	\$90.60	26	\$60.90	8	\$50.24	1	\$60.33	6	\$78.31	50	\$65.32
Total/Avg	332	\$59.65	1017	\$36.85	414	\$30.60	249	\$31.17	156	\$25.98	2,168	\$37.16
Median		\$59.08		\$45.40		\$32.79		\$31.00		\$19.82		\$41.77

Source: Edward I. Altman-NYU Salomon Center.

Exhibit 24
SECOND-LIEN LOAN VOLUME
1997-2006

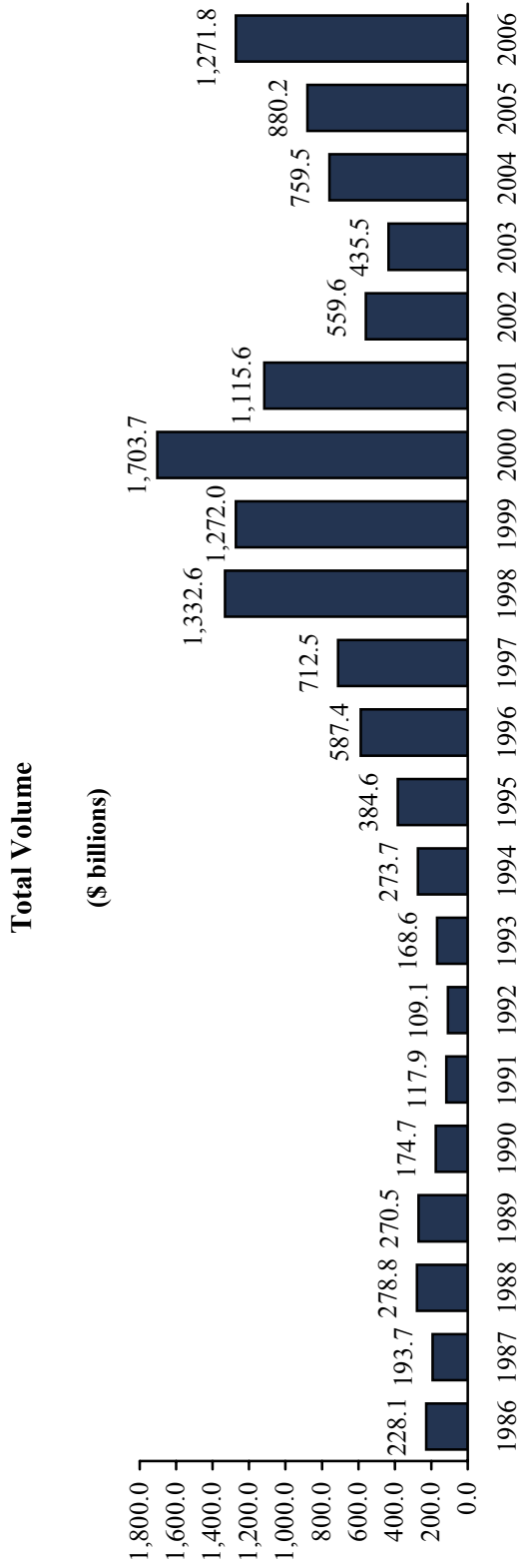


Sources: Dealogic and S&P Leveraged Commentary & Data.

Merger Arbitrage

Exhibit 25

ANNOUNCED U.S. MERGERS AND ACQUISITIONS



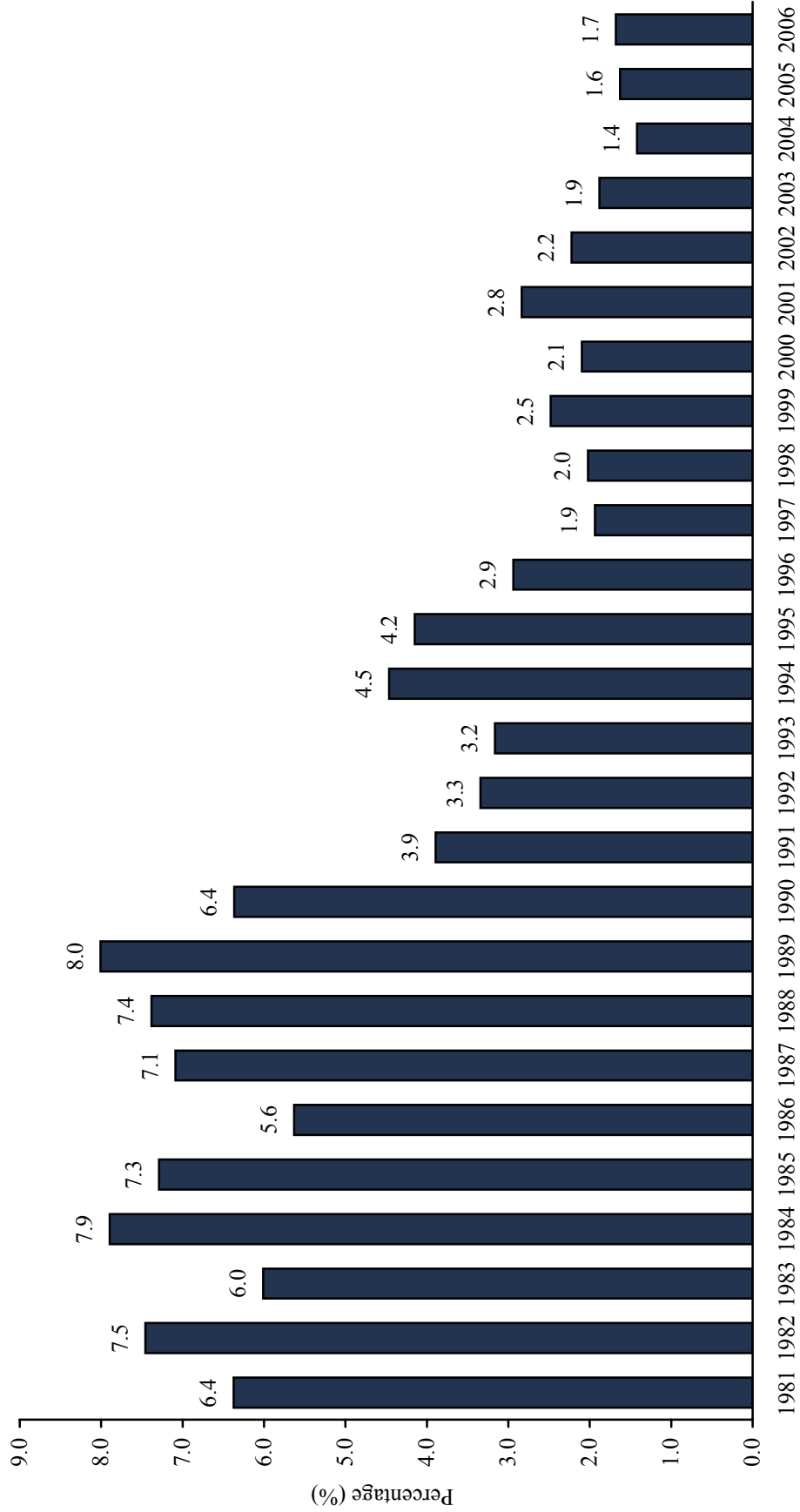
Total Number of Transactions	2,429	2,390	2,844	3,592	4,209	3,693	3,928	4,505	5,324	6,399	7,411	8,619	9,956	8,645	8,311	6,106	5,699	6,155	6,779	7,223	7,786
Number of Disclosed Values	1,032	972	1,371	1,534	1,543	1,463	1,812	2,209	2,662	2,977	3,530	4,442	4,764	3,937	3,822	2,868	2,619	2,595	2,690	2,944	2,929
Average Disclosed Price (\$ millions)	221.0	199.2	203.4	176.3	113.2	80.6	60.2	76.3	102.8	129.2	166.4	160.4	279.7	323.1	445.8	389.0	213.7	167.8	282.3	299.0	434.2

Source: Securities Data Company, Inc.

Notes: Merger and acquisition activity is based on completed, pending, partially complete, and intended deals, where there is a formal transfer of ownership of at least 5% of a company's equity with no minimum purchase price. Data include U.S. acquisitions of overseas firms, but exclude foreign acquisitions of U.S. companies. Deals are removed from the data set if, and when, they are cancelled. As a result data from prior years are subject to revision.

292a

Exhibit 26
PERCENTAGE OF CANCELLED MERGER TRANSACTIONS
1981-2006



Source: *Mergerstat Review* (Houlihan, Lokey, Howard, & Zukin).

504a

Exhibit 27

ANNOUNCEMENT OF ACQUISITIONS BY FORM OF PAYMENT

1979-2006

Year	<u>Cash</u>		<u>Stock</u>		<u>Combination</u>		<u>Debt and Other*</u>		Number Disclosing Form of Payment
	# of Deals	% of Total	# of Deals	% of Total	# of Deals	% of Total	# of Deals	% of Total	
1979	654	53	323	26	247	20	9	1	1,233
1980	522	47	345	31	237	21	17	1	1,121
1981	542	42	448	34	301	23	18	1	1,309
1982	405	38	317	29	338	31	23	2	1,083
1983	350	32	387	35	362	33	9	0	1,108
1984	465	43	281	26	320	30	13	1	1,079
1985	742	51	344	23	377	26	5	0	1,468
1986	545	42	411	32	345	26	2	0	1,303
1987	298	41	248	34	176	24	2	1	724
1988	437	56	166	21	170	22	4	1	777
1989	307	46	199	30	153	23	5	1	664
1990	260	40	207	31	186	28	4	1	657
1991	221	34	221	34	197	31	6	1	645
1992	178	22	328	40	303	37	9	1	818
1993	236	25	369	40	321	35	3	0	929
1994	317	26	466	39	412	34	7	1	1,202
1995	413	27	566	37	557	36	4	0	1,540
1996	830	34	900	37	687	28	16	1	2,433
1997	1,271	40	1,021	33	854	27	7	0	3,153
1998	1,509	44	1,014	30	905	26	12	0	3,440
1999	1,844	46	1,226	30	963	24	15	0	4,048
2000	1,766	49	1,150	32	666	18	20	1	3,602
2001	1,395	45	835	27	813	27	37	1	3,080
2002	1,503	56	595	22	578	21	26	1	2,702
2003	1,693	59	524	18	614	22	39	1	2,870
2004	1,775	57	544	18	750	24	44	1	3,113
2005	1,701	54	583	19	787	25	72	2	3,143
2006	<u>1,724</u>	59	<u>478</u>	17	<u>654</u>	23	<u>40</u>	1	<u>2,896</u>
Total	23,903	46%	14,496	28%	13,273	25%	468	1%	52,140

Source: *Mergerstat Review* (Houlihan, Lokey, Howard, & Zukin).

Notes: Percentages may not total due to rounding. At least one U.S. company must be involved in the transaction.

* Other includes stock options and stock warrants.

2090a

Exhibit 28

LARGEST ANNOUNCED ACQUISITIONS

2006

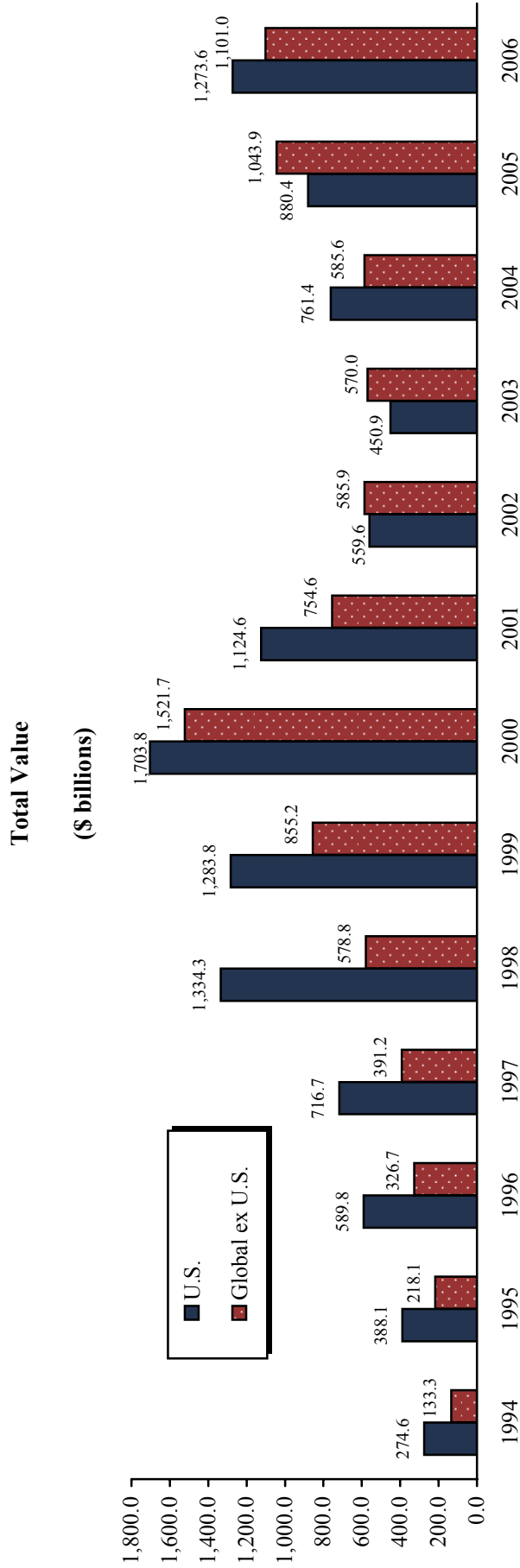
<u>Buyer/Seller</u>	<u>Value (\$ billions)</u>
1. AT&T Inc./BellSouth Corporation	83.1
2. E.ON AG/Endesa, S.A.	72.5
3. Gaz de France/Suez S.A.	55.8
4. Blackstone Group/Equity Office Properties Trust	34.1
5. "Mutiple Acquirers"/HCA, Inc.	32.2
6. Statoil ASA/Norsk Hydro ASA*	30.1
7. Knight Holdco LLC/Kinder Morgan, Inc.	27.4
8. "Mutiple Acquirers"/BAA plc	27.4
9. Iberdrola, S.A./Scottish Power plc	27.2
10. "Mutiple Acquirers"/Harrah's Entertainment, Inc.	27.2
11. "Mutiple Acquirers"/Clear Channel Communications	26.7
12. Express Scripts, Inc./Caremark Rx Inc.	24.6
13. Wachovia Corporation/Golden West Financial Corporation	24.6
14. Freeport-McMoran Copper (B)/Phelps Dodge Corporation	22.9
15. CVS Corporation/Caremark Rx Inc.	<u>21.7</u>
Total	537.4

Source: The Bloomberg.

Notes: Acquisitions include announced deals and exclude related company transactions (e.g., Royal Dutch Shell/Shell Transport) as well as terminated deals. Value is the base equity price offered. Figures may not total due to rounding.

* The Statoil ASA/Norsk Hydro ASA acquisition only pertains to Norsk Hydro's oil and gas business.

Exhibit 29
COMPLETED GLOBAL MERGER AND ACQUISITION ACTIVITY



Regional Activity (\$ billions)	2006		2005		% Change	
	Total Value	Number of Transactions*	Total Value	Number of Transactions*	Total Value	Number of Transactions*
Europe	886.3	7,115 (2,903)	841.8	6,888 (2,859)	5.3	3.3 (1.5)
Asia	172.9	2,752 (1,504)	171.1	3,178 (1,765)	1.1	-13.4 (-14.8)
Latin America	41.7	452 (248)	31.0	305 (174)	34.6	48.2 (42.5)
Global ex U.S.	1,101.0	10,319 (4,655)	1,043.9	10,371 (4,798)	5.5	-0.5 (-3.0)
U.S.	1,273.6	2,934 (2,783)	880.4	2,947 (2,801)	44.7	-0.4 (-.6)

Source: Securities Data Company, Inc.

Note: The above figures do not include any cross-border activity.

* Transaction figures represent the total number of transactions that took place, while numbers in parentheses indicate the number of transactions disclosed in the total value figure.

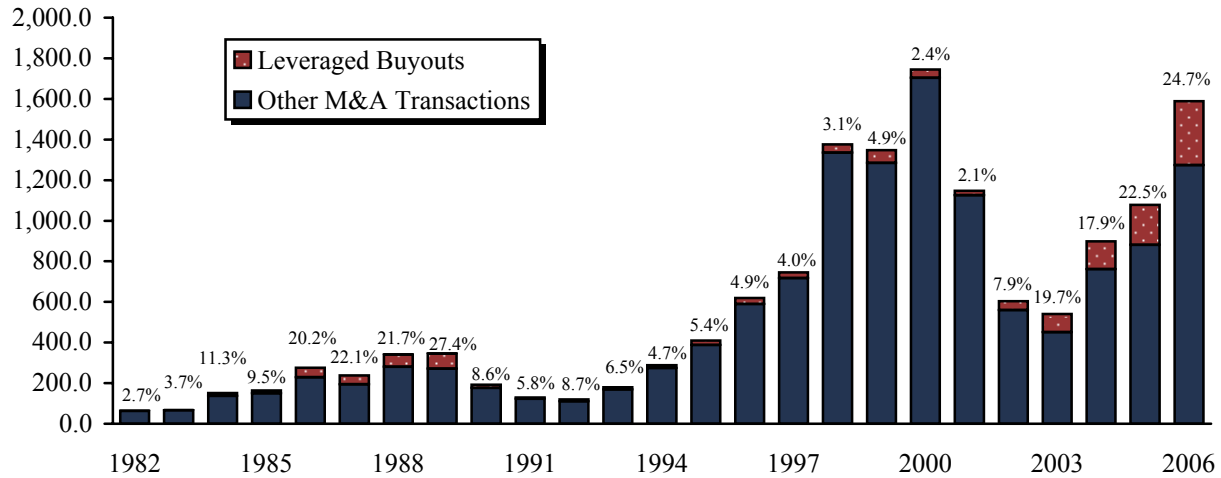
2091a

Exhibit 30

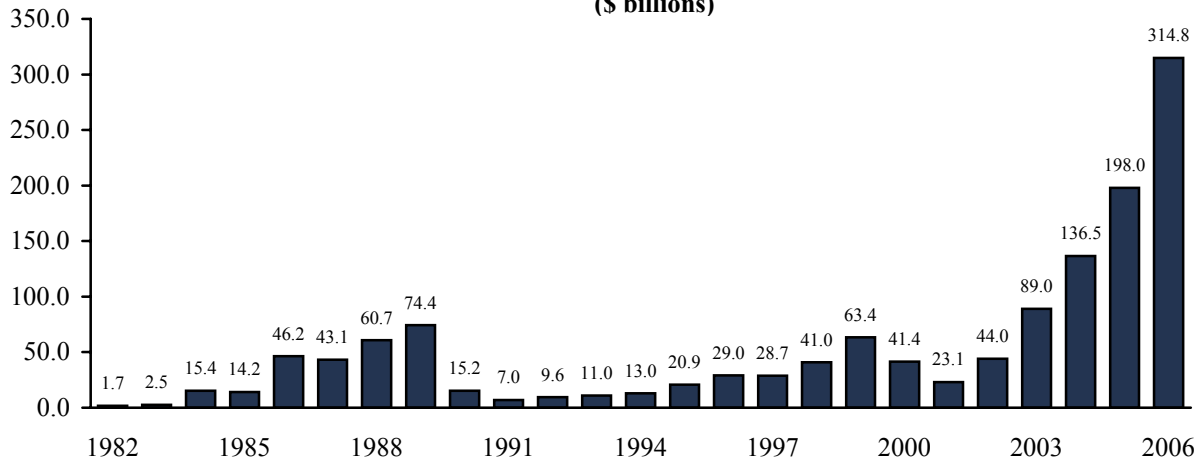
COMPLETED MERGER AND ACQUISITION AND LEVERAGED BUYOUT ACTIVITY

1982-2006

**Mergers and Acquisitions
(\$ billions)**



**Leveraged Buyouts
(\$ billions)**



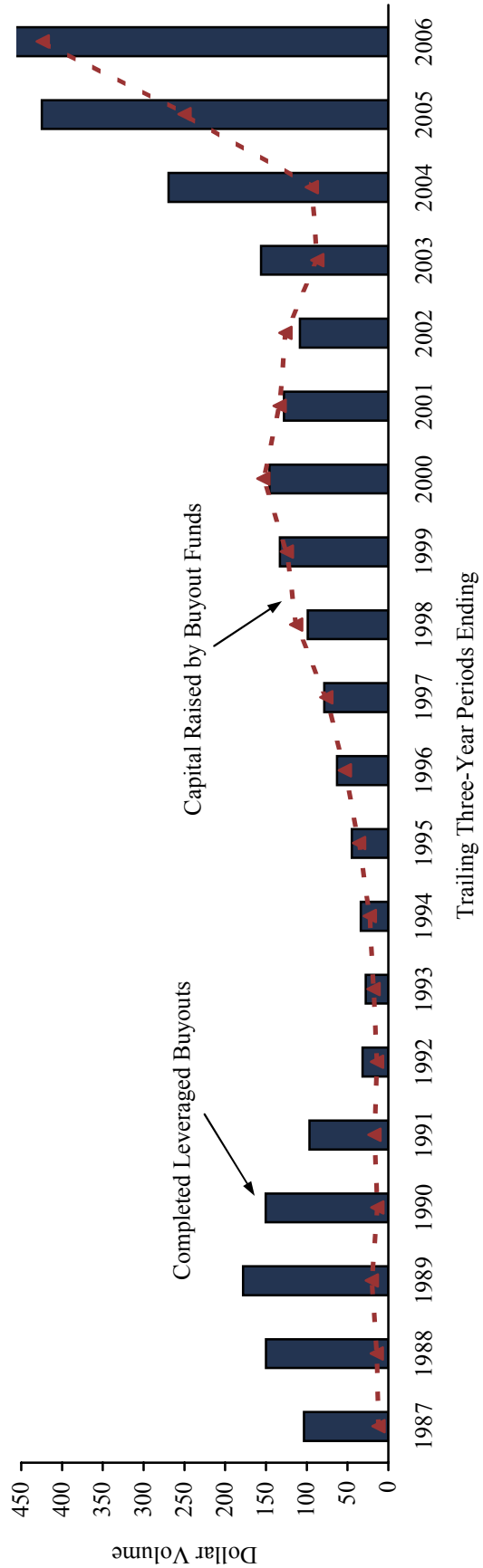
Sources: *Buyouts* and Securities Data Company, Inc.

Notes: Percentages show LBOs as a percent of total M&A transactions. All activity are on a completed basis. Other M&A transactions include mergers, acquisitions, spin-offs, and tender offers. The 1989 data include the RJR Nabisco leveraged buyout.

287a

Exhibit 31
COMPLETED LEVERAGED BUYOUTS AND CAPITAL RAISED BY BUYOUT FUNDS

1987-2006
(\$ billions)



Completed Leveraged Buyouts

(\$ billions) 103.5 150.1 178.2 150.3 96.6 31.8 27.6 33.6 44.9 62.9 78.6 98.7 133.1 145.8 127.9 108.5 156.1 269.5 424.9 650.7

Capital Raised by Buyout Funds

(\$ billions) 12.0 14.4 20.2 13.6 16.9 13.7 18.1 22.7 35.9 53.3 76.2 113.2 124.5 153.3 133.3 126.3 87.0 93.8 250.0 423.6

Analysis: For the trailing three-year period 1987-89 the debt-to-equity ratio was approximately 10:1 compared to the trailing three-year period 2001-03 when the debt-to-equity ratio was approximately 2:1. Leveraged 2:1, the \$87 billion raised by buyout funds during the period 2001-03 would finance \$261 billion in future buyout transactions, which indicates that the increase in buyout demand could result in buyout managers having to pay substantially higher prices for acquisitions. Three-year periods are used because capital raised by buyout funds is usually drawn down over several years.

Source: *Buyouts*.

Note: Because not all completed leveraged buyout values are disclosed, the buyout supply figure understates the actual volume of supply.

Exhibit 32

REPRESENTATIVE MERGER ARBITRAGE FUNDS

Annual Returns (%)

<u>Merger Arbitrage Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Allen & Company - Allen Arbitrage, L.P.	8.5	9.1	13.8	14.2	3.4	3.3	4.2	6.8	4.8	14.1
Arnhold and S. Bleichroeder Advisers, LLC - Aetos Corporation	19.5	7.6	10.9	12.0	-0.9	-1.0	3.1	3.8	7.1	13.8
Arnhold and S. Bleichroeder Advisers, LLC - Good Hope Int'l, Ltd.	---	---	---	---	---	---	---	---	6.5	13.8
Brencourt Advisers, LLC - Brencourt Arbitrage, L.P.	---	---	---	---	---	2.0	4.1	6.5	5.9	14.4
Catalyst Inv. Mgmt Co. - Catalyst Strategic Event Master Fund, Ltd.	14.3	6.5	14.2	15.0	2.2	-1.9	7.6	8.0	2.1	10.8
Centaurus Capital Ltd. - Centaurus Alpha Fund, L.P.	---	---	---	---	-4.0	3.4	14.8	24.0	6.1	16.6
Centaurus Capital Ltd. - Centaurus Kappa Fund	---	---	---	---	---	---	---	---	---	26.3
Chesapeake Partners Mgmt Company - Chesapeake Partners, L.P.	25.2	-10.9	30.4	42.7	11.0	-1.2	38.2	20.2	1.5	24.5
Colden Capital Management - Colden Capital Partners L.P.	---	---	---	---	1.4	1.7	0.0	3.4	4.0	11.5
Deephaven Capital Management - Deephaven Event Fund Ltd.	---	---	---	---	---	---	---	---	12.7	28.7
Gabelli & Partners - Gabelli Associates Limited	14.1	14.7	18.2	12.6	4.5	1.9	6.0	3.4	6.5	9.1
Garshofsky (Lawrence) & Company - Lawrence Partners, L.P.	59.3	-0.5	21.8	14.5	0.6	-1.8	39.1	18.3	3.3	14.8
Green & Smith Investment Mgmt - Hudson Valley Partners, L.P.	12.6	5.2	16.4	15.7	0.9	-6.8	11.3	2.6	3.1	14.1
Gruss Asset Management, L.P. - Gruss Arbitrage Partners, L.P.	---	---	---	16.2	4.8	1.8	4.4	5.4	4.5	14.9
Halogen Advisors, LLC - Halogen Master Fund, L.P.	---	---	---	---	---	---	---	---	---	11.1
Havens Advisors - Havens Partners Enhanced Fund, L.P.	---	---	---	---	---	---	---	---	---	30.8
Havens Advisors - Havens Partners, L.P.	13.8	6.9	18.2	22.8	0.2	0.0	12.9	6.1	4.4	18.4
Kellner DiLeo & Company - KDC Merger Arbitrage Fund, L.P. (n)	15.2	5.2	14.3	24.9	1.4	-0.6	3.3	4.9	3.2	6.2
KS Capital Partners - KS Capital Partners, L.P.	15.1	4.5	14.3	10.6	4.9	4.9	30.4	15.9	7.9	12.1
Longfellow Inv. Mgmt Co. - Longfellow Leveraged Merger Arb	9.5	12.3	12.6	20.7	7.4	0.6	3.5	-3.1	5.3	15.1
Longfellow Inv. Mgmt Co. - Longfellow Unleveraged Arb	8.6	11.6	11.7	17.4	6.6	0.2	3.4	-2.3	5.1	11.7
March Partners - Langdon Street Capital, L.P.	23.7	4.7	10.0	20.1	2.0	-1.9	6.3	4.7	5.3	8.0
March Partners - March Capital Partners, L.P.	38.5	6.4	14.1	24.7	1.4	-3.2	13.0	6.9	6.5	10.2
ORN Capital Limited - ORN Event Fund Ltd.	---	---	---	13.4	7.9	0.5	5.4	2.4	14.1	7.9
Paulson & Company - Paulson Merger Arbitrage Funds	12.7	-4.9	23.8	22.4	5.1	4.5	22.7	11.9	3.9	16.8
Schoenfeld (P.) Asset Mgmt - PSAM WorldArb Partners, L.P.	---	---	25.0	12.2	3.2	-2.5	18.3	8.6	7.3	17.5
Tiedemann Investment Group - Arbitrage Associates, L.P.	13.7	11.2	15.7	15.2	2.9	0.6	3.0	2.4	3.5	12.7
TQA Investors - TQA Event Arbitrage Master Fund, Ltd.	---	---	---	---	---	---	---	---	6.6	11.1
Weiss, Peck & Greer - WPG Ericott Merger Arbitrage Fund, L.P.	---	---	---	31.3	4.1	2.5	4.5	5.6	3.3	9.5
Maximum	59.3	14.7	30.4	42.7	11.0	4.9	39.1	24.0	14.1	30.8
Median	14.2	6.4	14.3	15.9	3.1	0.5	6.0	5.6	5.2	13.8
Minimum	8.5	-10.9	10.0	10.6	-4.0	-6.8	0.0	-3.1	1.5	6.2
Number of Funds	16	16	17	20	22	23	23	23	26	29
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 32 (continued)

REPRESENTATIVE MERGER ARBITRAGE FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Merger Arbitrage Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Allen & Company - Allen Arbitrage, L.P.	8.1	8.1	8.0	7.2	6.0	6.6	7.4	8.5	9.3	14.1
Arnhold and S. Bleichroeder Advisers, LLC - Aetos Corporation	7.4	6.1	6.0	5.3	4.2	5.2	6.9	8.2	10.4	13.8
Arnhold and S. Bleichroeder Advisers, LLC - Good Hope Int'l, Ltd.	---	---	---	---	---	---	---	---	10.1	13.8
Brencourt Advisers, LLC - Brencourt Arbitrage, L.P.	---	---	---	---	---	6.5	7.6	8.8	10.0	14.4
Catalyst Inv. Mgmt Co. - Catalyst Strategic Event Master Fund, Ltd.	7.7	7.0	7.1	6.1	4.7	5.2	7.1	6.9	6.4	10.8
Centaurus Capital Ltd. - Centaurus Alpha Fund, L.P.	---	---	---	---	9.8	12.7	15.2	15.4	11.3	16.6
Centaurus Capital Ltd. - Centaurus Kappa Fund	---	---	---	---	---	---	---	---	---	26.3
Chesapeake Partners Mgmt Company - Chesapeake Partners, L.P.	16.9	16.0	19.9	18.5	14.9	15.7	20.4	14.9	12.4	24.5
Colden Capital Management - Colden Capital Partners L.P.	---	---	---	---	3.6	4.1	4.7	6.2	7.7	11.5
Deephaven Capital Management - Deephaven Event Fund Ltd.	---	---	---	---	---	---	---	---	20.4	28.7
Gabelli & Partners - Gabelli Associates Limited	9.0	8.4	7.7	6.2	5.2	5.4	6.2	6.3	7.8	9.1
Garshofsky (Lawrence) & Company - Lawrence Partners, L.P.	15.6	11.6	13.2	12.0	11.6	13.9	18.2	12.0	8.9	14.8
Green & Smith Investment Mgmt - Hudson Valley Partners, L.P.	7.3	6.7	6.9	5.6	4.0	4.6	7.7	6.5	8.5	14.1
Gruss Asset Management, L.P. - Gruss Arbitrage Partners, L.P.	---	---	---	7.3	5.9	6.1	7.2	8.2	9.6	14.9
Halogen Advisors, LLC - Halogen Master Fund, L.P.	---	---	---	---	---	---	---	---	---	11.1
Havens Advisors - Havens Partners Enhanced Fund, L.P.	---	---	---	---	---	---	---	---	---	30.8
Havens Advisors - Havens Partners, L.P.	10.1	9.7	10.1	9.0	6.8	8.2	10.3	9.5	11.2	18.4
Kellner DiLeo & Company - KDC Merger Arbitrage Fund, L.P. (n)	7.5	6.7	6.9	5.9	3.0	3.4	4.4	4.7	4.7	6.2
KS Capital Partners - KS Capital Partners, L.P.	11.8	11.5	12.4	12.1	12.4	13.9	16.3	11.9	10.0	12.1
Longfellow Inv. Mgmt Co. - Longfellow Leveraged Merger Arb	8.2	8.0	7.5	6.8	4.7	4.1	5.0	5.5	10.1	15.1
Longfellow Inv. Mgmt Co. - Longfellow Unleveraged Arb	7.2	7.1	6.5	5.8	4.0	3.5	4.3	4.6	8.3	11.7
March Partners - Langdon Street Capital, L.P.	8.0	6.4	6.7	6.2	4.0	4.4	6.1	6.0	6.6	8.0
March Partners - March Capital Partners, L.P.	11.3	8.6	8.9	8.2	5.7	6.5	9.1	7.9	8.3	10.2
ORN Capital Limited - ORN Event Fund Ltd.	---	---	---	7.3	6.3	6.0	7.4	8.0	11.0	7.9
Paulson & Company - Paulson Merger Arbitrage Funds	11.5	11.4	13.6	12.2	10.6	11.7	13.6	10.8	10.2	16.8
Schoenfeld (P.) Asset Mgmt - PSAM WorldArb Partners, L.P.	---	---	10.9	9.0	8.5	9.6	12.8	11.0	12.3	17.5
Tiedemann Investment Group - Arbitrage Associates, L.P.	7.9	7.3	6.8	5.6	4.1	4.4	5.3	6.1	8.0	12.7
TQA Investors - TQA Event Arbitrage Master Fund, Ltd.	---	---	---	---	---	---	---	---	8.8	11.1
Weiss, Peck & Greer - WPG Ericott Merger Arbitrage Fund, L.P.	---	---	---	8.3	4.9	5.1	5.7	6.1	6.4	9.5
Maximum	16.9	16.0	19.9	18.5	14.9	15.7	20.4	15.4	20.4	30.8
Median	7.3	6.4	6.7	6.1	4.7	5.2	6.9	6.5	8.9	13.8
Minimum	7.2	6.1	6.0	5.3	3.0	3.4	4.3	4.6	4.7	6.2
Number of Funds	16	16	17	20	22	23	23	23	26	29
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

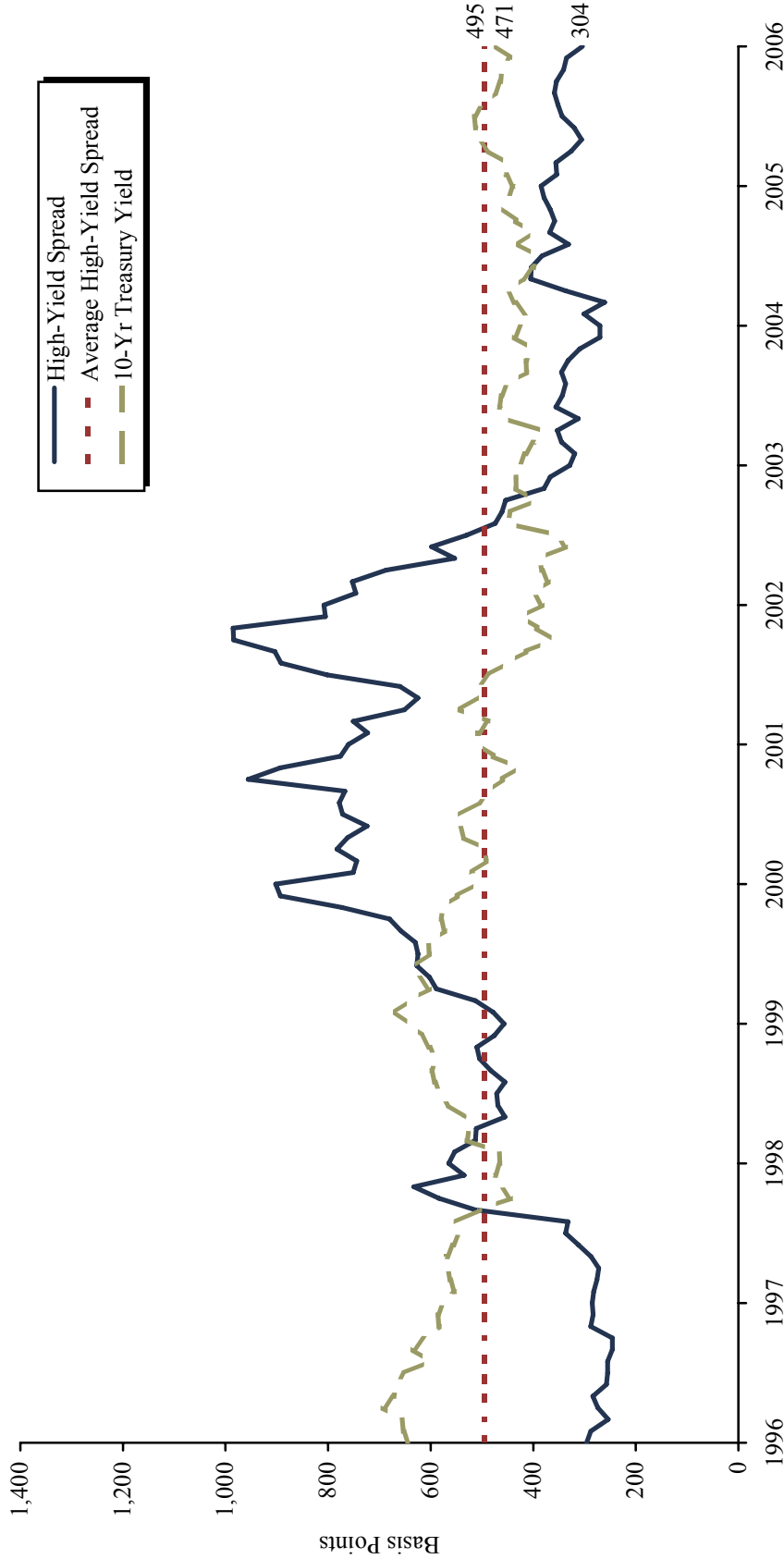
(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Convertible Arbitrage

Exhibit 33

**MERRILL LYNCH HIGH-YIELD MASTER II BOND INDEX:
SPREAD RELATIVE TO TEN-YEAR TREASURY BONDS**

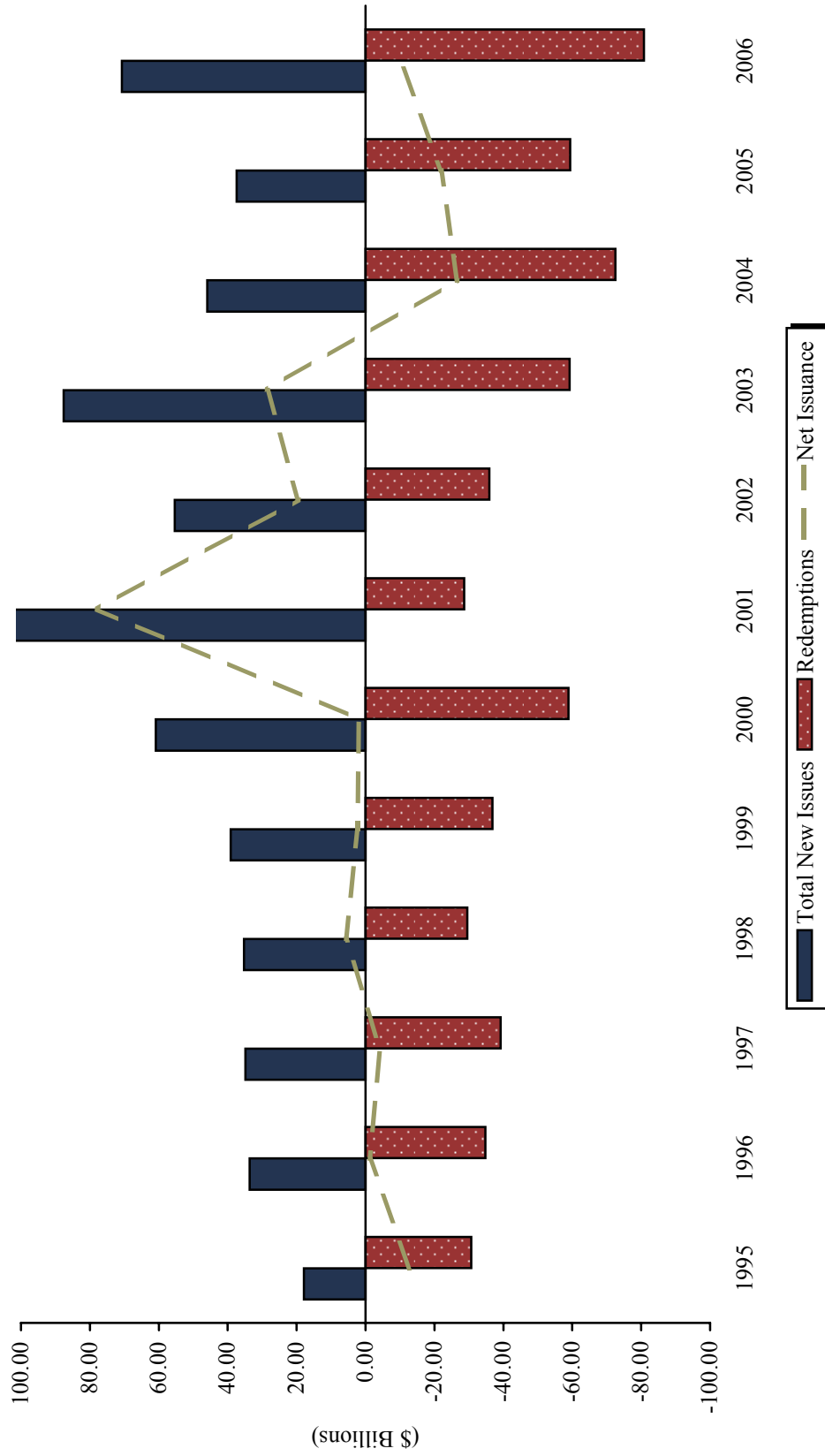
December 31, 1996 - December 31, 2006



Sources: Merrill Lynch & Company and Thomson Datastream.

Note: Yield spreads are based on the difference between the weighted-average yield-to-worst (the lower of yield-to-maturity and yield-to-call) for high-yield bonds and the yield-to-maturity for ten-year Treasury securities.

Exhibit 34
CONVERTIBLE BOND ISSUANCE
1995-2006



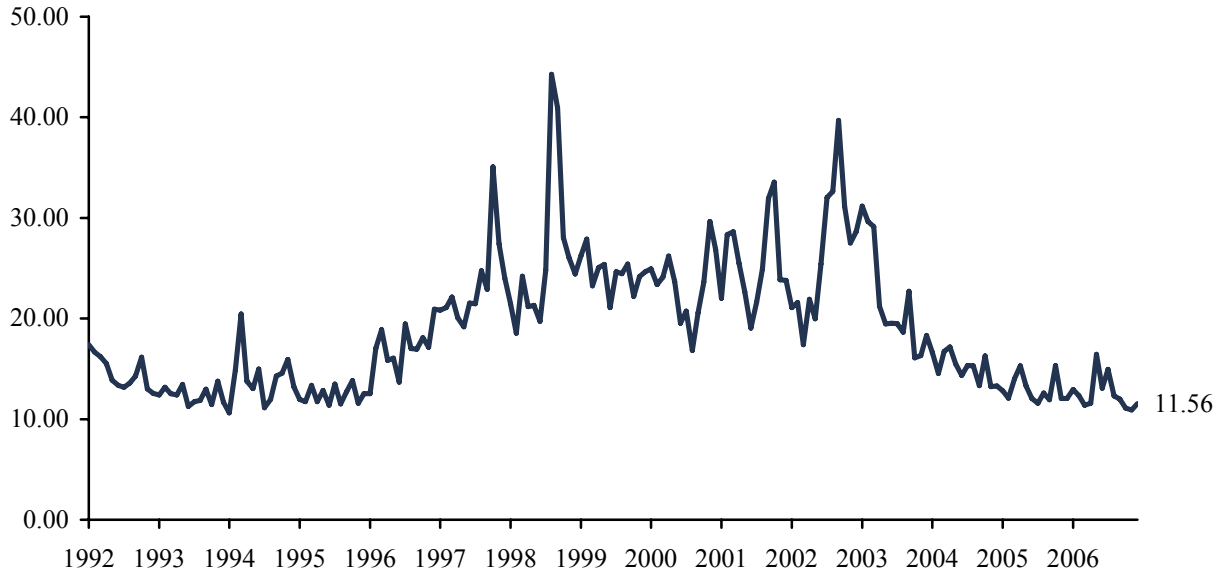
Source: Merrill Lynch & Company.

Exhibit 35

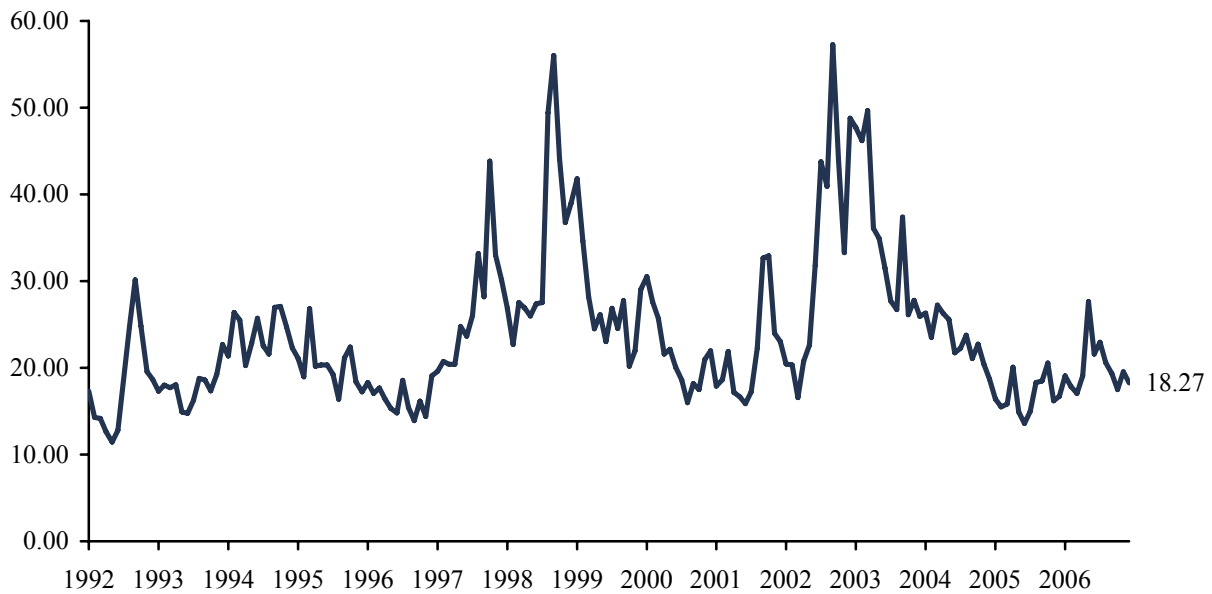
HISTORICAL VOLATILITY

January 31, 1992 - December 31, 2006

VIX (United States)



VDAX (Germany)

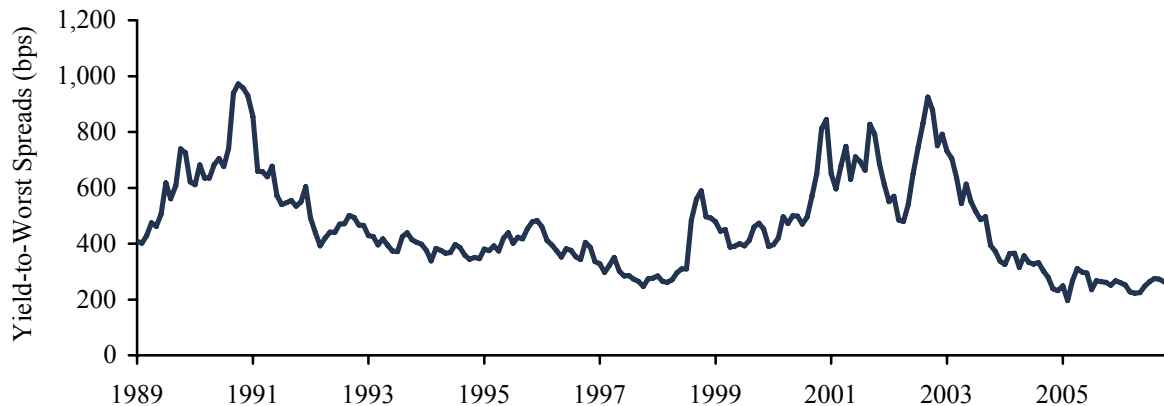
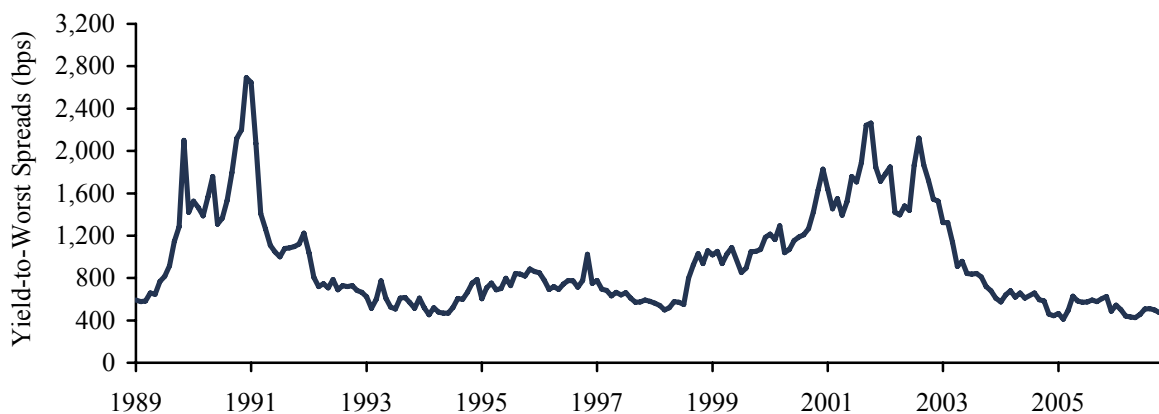


Source: The Bloomberg.
2095a

Exhibit 36

YIELD SPREADS FOR SELECTED BOND RATING CATEGORIES

January 31, 1989 - December 31, 2006

Investment Grade Relative to B Rated High Yield**B Rated High Yield Relative to CCC Rated High Yield****Investment Grade Relative to CCC Rated High Yield**

Source: Lehman Brothers, Inc.

Notes: Yield spreads are based on the difference between the weighted-average yield-to-worst (the lower of yield-to-maturity and yield-to-call) among the various rating categories. Investment-grade bonds are represented by the Lehman Brothers U.S. Intermediate Credit Bond Index.

Exhibit 37

REPRESENTATIVE CONVERTIBLE ARBITRAGE FUNDS

Annual Returns (%)

<u>Convertible Arbitrage Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Advent Capital Management, LLC - Convertible Arbitrage	---	---	---	---	22.4	14.3	14.0	0.6	-3.3	12.8
Advent Capital Mgmt LLC - The Advent Enhanced Phoenix Fund	---	---	---	---	---	---	---	---	---	15.4
Alexandra Inv. Mgmt - Alexandra Global Inv. Fund I, Ltd.	20.7	-6.1	6.9	18.4	27.8	14.3	26.6	8.4	5.4	14.9
Angelo, Gordon & Company, L.P. - Michaelangelo, L.P.	8.1	13.5	11.0	27.5	20.5	2.2	12.7	-0.4	-1.2	5.6
Argent Classic Mgmt - Argent Classic Convertible Arb. Funds	24.4	12.8	13.8	3.3	30.0	20.3	31.1	5.1	-5.5	15.2
Argent Classic Mgmt - Argent LowLev Convertible Arb. Funds	---	---	---	---	---	10.7	12.7	1.7	-1.6	9.2
Basis Capital Funds Mgmt Ltd. - Basis Pac-Rim Opportunity Fund	---	---	---	---	16.0	12.3	7.0	4.5	12.8	14.0
Calamos Advisors LLC - Calamos Multi-Strategy, L.P.	11.8	12.2	13.3	8.2	11.4	5.4	6.4	3.3	-3.3	8.7
Carlson Capital, L.P. - Black Diamond Convertible Offshore LDC	---	---	---	---	---	5.5	4.1	-1.9	2.8	10.3
DKR Mgmt Company Inc. - DKR SoundShore Strategic Fund Ltd.	---	---	---	20.1	19.4	8.2	9.6	-0.5	4.3	8.2
Forest Investment Mgmt - Forest Global Convertible Fund, Ltd.	14.0	1.3	7.9	23.0	14.2	5.6	9.3	1.3	7.1	13.2
Kellner DiLeo & Company - KDC Convertible Arbitrage Fund, L.P.	---	---	---	---	---	14.2	5.2	-5.0	-14.6	10.3
Lydian Capital Advisors - Lydian Overseas Partners Master Fund	---	---	---	19.7	15.1	11.2	18.3	-1.6	2.4	15.7
N.L.P. Investments, Inc. - Noddings Convertible Hedge L.P. (n)	17.9	1.1	0.7	6.0	11.4	6.8	3.0	-4.8	-3.2	1.3
Quattro Investors, LLC - Quattro Domestic Fund, L.P.	---	---	11.7	16.0	13.0	10.4	19.1	3.4	-0.2	12.3
Rumson Capital - Navesink Investment Limited	17.6	-17.8	27.3	27.5	9.2	6.3	8.3	2.3	-1.6	11.7
Sage Capital - Sage Capital, L.P.	8.2	8.1	8.8	11.7	11.4	10.5	5.8	1.9	-0.6	8.4
SSI Investment Mgmt - Hedged Convertible Market-Neutral (n)	8.1	-1.6	4.1	8.4	11.5	9.0	5.3	1.9	-2.7	10.1
TQA Investors - TQA Arbitrage Fund, L.P.	12.0	5.6	10.9	7.3	11.0	6.2	10.1	0.4	-2.8	15.7
Maximum	24.4	13.5	27.3	27.5	30.0	20.3	31.1	8.4	12.8	15.7
Median	13.0	3.4	10.9	16.0	14.2	9.7	9.4	1.5	-1.4	11.7
Minimum	8.1	-17.8	0.7	3.3	9.2	2.2	3.0	-5.0	-14.6	1.3
Number of Funds	10	10	11	13	15	18	18	18	18	19
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 37 (continued)

REPRESENTATIVE CONVERTIBLE ARBITRAGE FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Convertible Arbitrage Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Advent Capital Management, LLC - Convertible Arbitrage	---	---	---	---	9.8	7.4	5.8	3.2	4.4	12.8
Advent Capital Mgmt LLC - The Advent Enhanced Phoenix Fund	---	---	---	---	---	---	---	---	---	15.4
Alexandra Inv. Mgmt - Alexandra Global Inv. Fund I, Ltd.	13.3	12.5	15.1	16.3	15.9	13.7	13.5	9.5	10.0	14.9
Angelo, Gordon & Company, L.P. - Michaelangelo, L.P.	9.6	9.8	9.3	9.1	6.3	3.7	4.0	1.3	2.1	5.6
Argent Classic Mgmt - Argent Classic Convertible Arb. Funds	14.5	13.4	13.5	13.5	15.2	12.5	10.7	4.6	4.3	15.2
Argent Classic Mgmt - Argent LowLev Convertible Arb. Funds	---	---	---	---	---	6.4	5.3	3.0	3.6	9.2
Basis Capital Funds Mgmt Ltd. - Basis Pac-Rim Opportunity Fund	---	---	---	---	11.0	10.1	9.5	10.4	13.4	14.0
Calamos Advisors LLC - Calamos Multi-Strategy, L.P.	7.6	7.2	6.5	5.6	5.2	4.0	3.7	2.8	2.5	8.7
Carlson Capital, L.P. - Black Diamond Convertible Offshore LDC	---	---	---	---	---	4.1	3.7	3.6	6.5	10.3
DKR Mgmt Company Inc. - DKR SoundShore Strategic Fund Ltd.	---	---	---	9.7	8.0	5.9	5.3	3.9	6.2	8.2
Forest Investment Mgmt - Forest Global Convertible Fund, Ltd.	9.5	9.0	10.0	10.3	8.3	7.2	7.6	7.1	10.1	13.2
Kellner DiLeo & Company - KDC Convertible Arbitrage Fund, L.P.	---	---	---	---	---	1.5	-1.5	-3.6	-2.9	10.3
Lydian Capital Advisors - Lydian Overseas Partners Master Fund	---	---	---	11.3	9.9	8.9	8.4	5.2	8.9	15.7
N.L.P. Investments, Inc. - Noddings Convertible Hedge L.P. (n)	3.8	2.4	2.5	2.8	2.3	0.5	-1.0	-2.3	-1.0	1.3
Quattro Investors, LLC - Quattro Domestic Fund, L.P.	---	---	10.6	10.4	9.5	8.8	8.4	5.0	5.8	12.3
Rumson Capital - Navesink Investment Limited	8.3	7.3	10.9	8.8	5.9	5.3	5.0	4.0	4.9	11.7
Sage Capital - Sage Capital, L.P.	7.4	7.3	7.2	6.9	6.2	5.1	3.8	3.2	3.8	8.4
SSI Investment Mgmt - Hedged Convertible Market-Neutral (n)	5.3	5.0	5.8	6.1	5.7	4.6	3.5	3.0	3.5	10.1
TQA Investors - TQA Arbitrage Fund, L.P.	7.5	7.0	7.2	6.7	6.6	5.7	5.6	4.1	6.0	15.7
Maximum	14.5	13.4	15.1	16.3	15.9	13.7	13.5	10.4	13.4	15.7
Median	8.0	7.3	9.3	9.1	8.0	5.8	5.3	3.8	4.7	11.7
Minimum	3.8	2.4	2.5	2.8	2.3	0.5	-1.5	-3.6	-2.9	1.3
Number of Funds	10	10	11	13	15	18	18	18	18	19
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 38

REPRESENTATIVE MULTI-STRATEGY FUNDS-OF-FUNDS

Annual Returns (%)

Multi-Strategy Funds-of-Funds	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
2100 Larch Lane LLC - Upstream Capital Fund I, L.P.	14.1	-5.3	8.9	15.7	8.9	2.2	12.2	10.3	6.5	9.9
ABS Investment Management LLC - ABS Limited Partnership	---	---	---	---	---	---	---	11.6	11.3	15.5
Acorn Capital Management - Acorn Partners	13.0	-14.3	18.0	5.0	9.4	-2.5	26.0	10.1	12.6	13.3
Adair Capital LLC - Adair Multi-Manager Fund, Ltd.	---	---	---	---	9.0	5.5	7.5	7.0	9.4	11.7
Adamas Partners LLC - Adamas Opportunities, L.P.	---	---	---	---	7.7	-1.5	15.6	14.1	13.3	15.2
Adamas Partners LLC - Adamas Partners, L.P.	---	---	---	---	14.1	2.0	14.9	10.7	10.9	14.7
Aetos Capital, LLC - Aetos Capital Balanced Portfolio	---	---	---	---	---	---	10.8	4.6	6.2	9.2
Aetos Capital, LLC - Aetos Capital Conservative Portfolio	---	---	---	---	---	---	10.3	3.7	5.6	8.8
Aetos Capital, LLC - Aetos Capital Distressed Inv. Strategies Fund	---	---	---	---	---	---	20.1	12.1	6.8	12.3
Aetos Capital, LLC - Aetos Capital Growth Portfolio	---	---	---	---	---	---	11.2	5.7	7.1	9.2
Aetos Capital, LLC - Aetos Capital Market Neutral Strategies Fund	---	---	---	---	---	---	2.4	0.5	5.5	4.2
Aetos Capital, LLC - Aetos Capital Multi-Strategy Arbitrage Fund	---	---	---	---	---	---	13.1	4.0	4.8	10.2
Aetos Capital, LLC - Aetos Capital Opportunities Fund, LLC	---	---	---	---	---	---	---	---	---	3.8
Allianz HF Partners - Blue Eagle Port. - Multi-Strat	---	---	---	---	---	2.9	7.8	4.5	4.6	4.2
Allianz HF Partners - Blue Eagle Port. - Multi-Strat Market Neutral	---	---	---	---	---	4.9	9.5	5.4	1.8	2.3
Alstra Capital Management, LLC - Alstra Low Volatility Composite	---	---	---	---	---	---	15.6	8.4	4.4	5.6
Alstra Capital Management, LLC - The Alstra Select Fund, Ltd.	---	---	---	---	---	---	---	---	---	0.2
Alternative Investment Group - Alternative Investments, L.P.	21.9	10.0	47.8	10.0	7.1	-3.1	8.2	9.7	16.0	10.5
Alternative Investment Group - Alternative Investments Inst., L.P.	---	4.3	28.6	14.6	6.5	0.2	13.0	9.7	15.5	8.8
Anchor Point Capital, LLC - Anchor Point Capital Flagship Fund	---	---	---	---	---	---	---	---	---	10.0
Archstone Partners - A.P. Opportunities Fund, L.P.	22.4	7.8	35.1	23.2	1.8	-4.4	16.0	11.1	12.0	14.3
Archstone Partners - Archstone Market Neutral Strategies Fund, Ltd	---	---	---	---	---	-1.8	14.4	8.6	6.4	13.7
Archstone Partners - Archstone Partners, L.P.	22.5	6.0	27.8	20.0	1.6	-2.3	12.9	11.5	11.9	14.1
Arden Asset Management, Inc. - Arden Advisers, L.P.	15.9	6.1	17.3	15.8	5.8	2.6	12.2	8.5	5.3	8.1
Arden Asset Management, Inc. - Arden Alternative Advisers SPC	---	---	---	18.7	6.7	2.9	10.5	6.6	4.6	8.9
Arden Asset Management, Inc. - Arden Institutional Advisers	---	12.1	17.0	18.9	5.5	2.3	11.5	7.4	9.8	9.3
Arden Asset Management, Inc. - Arden Institutional Advisers II	---	12.1	17.0	18.9	5.5	2.3	11.5	6.8	5.7	7.7
Arden Asset Management, Inc. - Arden Strategic Advisers, L.P.	---	---	---	---	---	1.9	12.1	9.5	4.7	10.1
Arnhold and S. Bleichroeder Advisers - Absolute Eagles Fund Ltd.	---	---	---	---	---	---	9.1	8.5	7.5	8.4
Berens Capital Mgmt - Berens Capital Partners, L.P.	---	---	---	---	2.4	1.9	9.7	5.3	11.1	11.2
Berens Capital Mgmt - Berens Distressed Opportunities Fund, L.P.	---	---	---	---	---	---	---	17.7	6.0	7.4
BlackRock, Inc. - Blackrock Multi Manager Partners, LLC	---	---	---	---	---	---	---	10.8	10.6	12.6
Maximum	33.2	40.2	50.0	27.1	29.0	17.7	36.0	35.0	22.6	26.7
Median	18.4	0.2	21.2	14.5	7.3	2.5	12.1	7.5	6.8	10.2
Minimum	11.9	-21.0	2.8	-6.0	-2.3	-7.0	2.4	-1.7	-7.4	-2.0
Number of Funds	37	46	56	71	84	108	133	150	161	177
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 38 (continued)

REPRESENTATIVE MULTI-STRATEGY FUNDS-OF-FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Multi-Strategy Funds-of-Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
2100 Larch Lane LLC - Upstream Capital Fund I, L.P.	8.2	7.5	9.3	9.3	8.3	8.2	9.7	8.9	8.2	9.9
ABS Investment Management LLC - ABS Limited Partnership	---	---	---	---	---	---	---	12.8	13.4	15.5
Acorn Capital Management - Acorn Partners	8.5	8.0	11.2	10.3	11.2	11.5	15.3	12.0	12.9	13.3
Adair Capital LLC - Adair Multi-Manager Fund, Ltd.	---	---	---	---	8.3	8.2	8.9	9.3	10.5	11.7
Adamas Partners LLC - Adamas Opportunities, L.P.	---	---	---	---	10.6	11.1	14.5	14.2	14.3	15.2
Adamas Partners LLC - Adamas Partners, L.P.	---	---	---	---	11.1	10.5	12.8	12.1	12.8	14.7
Aetos Capital, LLC - Aetos Capital Balanced Portfolio	---	---	---	---	---	---	7.7	6.6	7.7	9.2
Aetos Capital, LLC - Aetos Capital Conservative Portfolio	---	---	---	---	---	---	7.1	6.0	7.2	8.8
Aetos Capital, LLC - Aetos Capital Distressed Inv. Strategies Fund	---	---	---	---	---	---	12.7	10.4	9.5	12.3
Aetos Capital, LLC - Aetos Capital Growth Portfolio	---	---	---	---	---	---	8.3	7.3	8.1	9.1
Aetos Capital, LLC - Aetos Capital Market Neutral Strategies Fund	---	---	---	---	---	---	3.1	3.3	4.8	4.2
Aetos Capital, LLC - Aetos Capital Multi-Strategy Arbitrage Fund	---	---	---	---	---	---	7.9	6.3	7.4	10.2
Aetos Capital, LLC - Aetos Capital Opportunities Fund, LLC	---	---	---	---	---	---	---	---	---	3.8
Allianz HF Partners - Blue Eagle Port. - Multi-Strat	---	---	---	---	---	4.8	5.2	4.4	4.3	4.2
Allianz HF Partners - Blue Eagle Port. - Multi-Strat Market Neutral	---	---	---	---	---	4.7	4.7	3.1	2.1	2.3
Alstra Capital Management, LLC - Alstra Low Volatility Composite	---	---	---	---	---	---	8.4	6.1	5.0	5.6
Alstra Capital Management, LLC - The Alstra Select Fund, Ltd.	---	---	---	---	---	---	---	---	---	0.2
Alternative Investment Group - Alternative Investments, L.P.	13.2	12.2	12.5	8.2	7.9	8.1	11.1	12.1	13.2	10.5
Alternative Investment Group - Alternative Investments Inst., L.P.	---	11.0	11.8	9.6	8.8	9.3	11.7	11.3	12.1	8.8
Anchor Point Capital, LLC - Anchor Point Capital Flagship Fund	---	---	---	---	---	---	---	---	---	9.9
Archstone Partners - A.P. Opportunities Fund, L.P.	13.4	12.5	13.1	10.2	8.2	9.5	13.3	12.4	13.1	14.3
Archstone Partners - Archstone Market Neutral Strategies Fund, Ltd	---	---	---	---	---	8.1	10.7	9.5	10.0	13.7
Archstone Partners - Archstone Partners, L.P.	12.2	11.1	11.7	9.6	7.9	9.3	12.4	12.2	12.5	13.2
Arden Asset Management, Inc. - Arden Advisers, L.P.	9.6	9.0	9.3	8.2	7.0	7.3	8.5	7.3	6.7	8.1
Arden Asset Management, Inc. - Arden Alternative Advisers SPC	---	---	---	8.3	6.7	6.7	7.6	6.7	6.7	8.9
Arden Asset Management, Inc. - Arden Institutional Advisers	---	10.3	10.1	9.1	7.6	8.0	9.5	8.8	9.6	9.3
Arden Asset Management, Inc. - Arden Institutional Advisers II	---	9.6	9.3	8.2	6.5	6.8	7.9	6.7	6.7	7.7
Arden Asset Management, Inc. - Arden Strategic Advisers, L.P.	---	---	---	---	---	7.6	9.1	8.1	7.4	10.1
Arnhold and S. Bleichroeder Advisers - Absolute Eagles Fund Ltd.	---	---	---	---	---	---	8.4	8.1	8.0	8.4
Berens Capital Mgmt - Berens Capital Partners, L.P.	---	---	---	---	6.8	7.8	9.3	9.1	11.1	11.2
Berens Capital Mgmt - Berens Distressed Opportunities Fund, L.P.	---	---	---	---	---	---	---	10.2	6.7	7.4
BlackRock, Inc. - Blackrock Multi Manager Partners, LLC	---	---	---	---	---	---	---	11.3	11.6	12.6
Maximum	16.4	14.6	14.7	12.3	12.9	14.8	18.0	18.4	20.2	26.7
Median	10.9	9.7	10.7	8.9	7.9	7.8	9.3	8.7	8.8	10.2
Minimum	7.3	3.7	4.5	3.8	3.2	3.1	3.1	1.6	0.3	-2.0
Number of Funds	37	46	56	71	84	108	133	150	161	177
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 38 (continued)

REPRESENTATIVE MULTI-STRATEGY FUNDS-OF-FUNDS

Annual Returns (%)

<u>Multi-Strategy Funds-of-Funds</u>	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Blackstone Alt. Asset Mgmt - Berkeley Square Fund Ltd.	---	---	---	---	---	---	---	2.2	4.9	9.0
Blackstone Alt. Asset Mgmt - Event Driven Fund, L.P.	---	0.1	14.1	14.4	6.7	0.1	17.5	10.6	6.4	13.2
Blackstone Alt. Asset Mgmt - Fifth Avenue Fund L.P.	---	---	---	---	---	---	14.3	6.5	9.2	13.5
Blackstone Alt. Asset Mgmt - Global Park Avenue Fund, L.P.	24.8	7.5	24.1	14.1	7.2	2.5	8.9	7.5	12.7	9.6
Blackstone Alt. Asset Mgmt - Madison Avenue Fund L.P.	---	---	---	---	---	2.8	8.5	2.9	3.8	10.5
Blackstone Alt. Asset Mgmt - Park Avenue Fund, L.P.	25.3	7.0	21.1	17.5	8.0	0.6	9.2	7.5	11.4	10.3
Blackstone Alt. Asset Mgmt - Partners Investment Fund, L.P.	20.4	4.5	17.2	17.9	12.7	2.8	10.8	6.5	6.9	12.2
Cadogan Management, LLC - Cadogan Partners, L.P.	14.6	-0.6	11.7	8.6	21.2	5.8	10.4	4.6	5.7	12.6
Cambridge Place Inv. Mgmt - CPIM Structured Credit 1000	---	---	---	---	---	---	---	20.0	8.1	16.1
Cambridge Place Inv. Mgmt - CPIM Structured Credit 1500 (n)	---	---	---	---	---	---	---	---	4.6	12.6
Capital Partnership Limited (The) - TCPAM Alpha Plus Fund	---	---	8.8	8.4	10.9	15.4	15.9	11.0	14.0	6.6
Capital Partnership Limited (The) - TCPAM Class F Fund	---	---	---	9.3	4.4	-4.9	7.8	6.7	12.1	9.1
Capital Partnership Limited (The) - TCPAM Class T Fund	---	---	---	11.7	6.9	2.1	5.4	5.5	6.2	6.7
Capital Partnership Limited (The) - TCPAM Market Neutral Fund	---	---	9.2	8.6	8.9	10.3	13.2	7.1	6.6	7.0
Capital Partnership Limited (The) - TCPAM SuperCash Fund	---	---	---	5.8	6.2	2.6	2.6	4.8	5.0	9.6
Cazenove Capital Mgmt Ltd. - Absolute Return Trust for Charities	---	---	---	---	---	---	25.0	13.8	-2.9	22.8
Citigroup Alternative Investments LLC - Legion Strategies, Ltd.	12.6	2.8	19.5	6.4	4.5	2.0	7.5	2.8	8.5	9.7
Commonfund Group - Commonfund Absolute Return Investors Co.	---	---	---	---	6.4	2.8	7.7	4.7	6.6	11.9
Cook Pine Capital LLC - Managed Accounts	---	---	---	---	---	---	---	---	---	16.4
Corbin Capital Partners, L.P. - The Overlook Performance Fund	22.1	-1.1	39.3	9.2	11.1	-1.0	9.2	7.2	11.9	10.5
Coronation International Limited - Coronation Relative Value Fund	---	---	---	14.5	7.2	1.7	7.3	5.2	7.0	10.6
Crestline Investors, Inc. - Crestline Event Arbitrage, L.P.	---	---	16.5	14.6	3.2	4.1	21.5	11.4	5.1	9.9
Crestline Investors, Inc. - Crestline Partners, L.P.	---	0.6	11.5	9.7	7.5	5.0	13.0	7.7	8.0	12.0
Crestline Investors, Inc. - Crestline Plus, L.P.	---	---	---	---	---	---	32.7	13.8	7.2	15.8
Deutsche Asset Management - The Topiary Fund II	---	---	---	---	---	---	---	---	6.2	9.0
Deutsche Asset Management - The Topiary Select Fund I, L.P.	---	---	---	---	4.8	3.7	10.0	4.3	8.1	15.5
Deutsche Asset Management - Topiary	---	-3.2	16.4	12.0	6.8	3.7	10.3	6.5	6.0	10.0
Dorchester Capital Advisors - Dorchester Capital International, Ltd.	---	---	---	---	---	---	---	---	6.9	7.7
Dorchester Capital Advisors - Dorchester Capital Partners, L.P.	---	---	---	---	---	4.5	23.5	12.2	7.2	11.0
Drake Capital Advisors LLC - Drake Capital Partners, L.P.	---	---	---	---	---	0.6	22.1	13.5	13.0	11.6
EnTrust Capital Inc. - EnTrust Capital Diversified Fund L.P.	---	---	---	---	---	-4.0	15.7	13.5	6.4	12.0
Evanston Capital Management LLC - The Orrington Fund, L.P.	---	---	---	---	---	---	---	---	5.7	7.6
Maximum	33.2	40.2	50.0	27.1	29.0	17.7	36.0	35.0	22.6	26.7
Median	18.4	0.2	21.2	14.5	7.3	2.5	12.1	7.5	6.8	10.2
Minimum	11.9	-21.0	2.8	-6.0	-2.3	-7.0	2.4	-1.7	-7.4	-2.0
Number of Funds	37	46	56	71	84	108	133	150	161	177
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 38 (continued)

REPRESENTATIVE MULTI-STRATEGY FUNDS-OF-FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Multi-Strategy Funds-of-Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Blackstone Alt. Asset Mgmt - Berkeley Square Fund Ltd.	---	---	---	---	---	---	---	5.3	6.9	9.0
Blackstone Alt. Asset Mgmt - Event Driven Fund, L.P.	---	9.1	10.2	9.7	8.9	9.4	11.9	10.1	9.8	13.2
Blackstone Alt. Asset Mgmt - Fifth Avenue Fund L.P.	---	---	---	---	---	---	10.8	9.7	11.3	13.5
Blackstone Alt. Asset Mgmt - Global Park Avenue Fund, L.P.	11.7	10.3	10.7	8.9	8.0	8.2	9.7	9.9	11.2	9.6
Blackstone Alt. Asset Mgmt - Madison Avenue Fund L.P.	---	---	---	---	---	5.7	6.4	5.7	7.1	10.5
Blackstone Alt. Asset Mgmt - Park Avenue Fund, L.P.	11.6	10.1	10.5	9.1	7.8	7.7	9.6	9.7	10.9	10.3
Blackstone Alt. Asset Mgmt - Partners Investment Fund, L.P.	11.1	10.1	10.8	9.9	8.6	7.8	9.1	8.5	9.5	12.2
Cadogan Management, LLC - Cadogan Partners, L.P.	9.3	8.7	9.9	9.7	9.9	7.7	8.3	7.6	9.1	12.6
Cambridge Place Inv. Mgmt - CPIM Structured Credit 1000	---	---	---	---	---	---	---	14.6	12.0	16.1
Cambridge Place Inv. Mgmt - CPIM Structured Credit 1500 (n)	---	---	---	---	---	---	---	---	8.6	12.6
Capital Partnership Limited (The) - TCPAM Alpha Plus Fund	---	---	11.3	11.7	12.3	12.5	11.8	10.5	10.2	6.6
Capital Partnership Limited (The) - TCPAM Class F Fund	---	---	---	6.2	5.7	6.0	8.9	9.3	10.6	9.1
Capital Partnership Limited (The) - TCPAM Class T Fund	---	---	---	6.3	5.5	5.2	6.0	6.1	6.5	6.7
Capital Partnership Limited (The) - TCPAM Market Neutral Fund	---	---	8.8	8.8	8.8	8.8	8.4	6.9	6.8	7.0
Capital Partnership Limited (The) - TCPAM SuperCash Fund	---	---	---	5.2	5.1	4.9	5.5	6.4	7.2	9.6
Cazenove Capital Mgmt Ltd. - Absolute Return Trust for Charities	---	---	---	---	---	---	14.1	10.7	9.2	22.8
Citigroup Alternative Investments LLC - Legion Strategies, Ltd.	7.5	7.0	7.5	5.9	5.8	6.1	7.1	7.0	9.1	9.7
Commonfund Group - Commonfund Absolute Return Investors Co.	---	---	---	---	6.6	6.7	7.7	7.7	9.2	11.9
Cook Pine Capital LLC - Managed Accounts	---	---	---	---	---	---	---	---	---	16.4
Corbin Capital Partners, L.P. - The Overlook Performance Fund	11.3	10.2	11.7	8.2	8.0	7.4	9.7	9.8	11.2	10.5
Coronation International Limited - Coronation Relative Value Fund	---	---	---	7.6	6.5	6.3	7.5	7.6	8.8	10.6
Crestline Investors, Inc. - Crestline Event Arbitrage, L.P.	---	---	10.6	9.8	9.0	10.2	11.8	8.7	7.4	9.9
Crestline Investors, Inc. - Crestline Partners, L.P.	---	8.3	9.3	8.9	8.8	9.1	10.1	9.2	10.0	12.0
Crestline Investors, Inc. - Crestline Plus, L.P.	---	---	---	---	---	---	17.0	12.2	11.4	15.8
Deutsche Asset Management - The Topiary Fund II	---	---	---	---	---	---	---	---	7.6	9.0
Deutsche Asset Management - The Topiary Select Fund I, L.P.	---	---	---	---	7.6	8.2	9.4	9.2	11.7	15.5
Deutsche Asset Management - Topiary	---	7.5	8.9	7.9	7.2	7.3	8.2	7.5	8.0	10.0
Dorchester Capital Advisors - Dorchester Capital International, Ltd.	---	---	---	---	---	---	---	---	7.3	7.7
Dorchester Capital Advisors - Dorchester Capital Partners, L.P.	---	---	---	---	---	11.5	13.3	10.1	9.1	11.0
Drake Capital Advisors LLC - Drake Capital Partners, L.P.	---	---	---	---	---	12.0	15.0	12.7	12.3	11.6
EnTrust Capital Inc. - EnTrust Capital Diversified Fund L.P.	---	---	---	---	---	8.5	11.9	10.6	9.1	12.0
Evanston Capital Management LLC - The Orrington Fund, L.P.	---	---	---	---	---	---	---	---	6.6	7.6
Maximum	16.4	14.6	14.7	12.3	12.9	14.8	18.0	18.4	20.2	26.7
Median	10.9	9.7	10.7	8.9	7.9	7.8	9.3	8.7	8.8	10.2
Minimum	7.3	3.7	4.5	3.8	3.2	3.1	3.1	1.6	0.3	-2.0
Number of Funds	37	46	56	71	84	108	133	150	161	177
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 38 (continued)

REPRESENTATIVE MULTI-STRATEGY FUNDS-OF-FUNDS

Annual Returns (%)

<u>Multi-Strategy Funds-of-Funds</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Evanston Capital Management LLC - The Weatherlow Fund I L.P.	---	---	---	---	---	6.2	12.2	8.0	10.7	12.3
Fauchier Partners LLP - Baring Asia Hedge Select Fund	---	---	---	---	---	---	---	3.9	11.9	6.4
Fauchier Partners LLP - Jubilee Absolute Return Fund	---	---	---	---	---	---	---	---	6.5	8.0
Fauchier Partners LLP - Oxford Fauchier Limited Partnership	---	---	---	---	---	7.8	24.9	16.8	-2.2	23.3
Fauchier Partners LLP - Paragon Capital Appreciation Fund	15.0	-3.0	20.4	8.0	2.3	-0.8	10.9	5.7	7.6	9.1
Federal Street Partners - Federal Street Associates I, LLC	---	---	---	3.6	5.2	2.3	15.2	11.6	16.1	14.6
Federal Street Partners - Federal Street Associates Offshore, Ltd.	---	---	---	---	---	---	17.6	9.9	15.3	14.7
Federal Street Partners - Federal Street Multi-Strategy Fund, LLC	---	---	---	---	---	---	---	11.3	8.7	13.6
Federal Street Partners - Federal Street Multi-Strategy Offshore, Ltd	---	---	---	---	---	---	---	---	11.0	13.0
Financial Risk Mgmt - Absolute Alpha Fund PCC Ltd. - Diversified	---	0.3	13.1	16.4	9.3	6.4	8.0	4.1	7.0	8.9
Financial Risk Mgmt - FRM Equity Opps Fund SPC - Europe	---	---	---	---	---	---	---	---	---	26.7
Fischer & Co. LLC - Fischer Garrison Fund, L.P.	---	---	---	---	---	1.7	12.2	9.3	6.8	12.6
Focus Investment Group - Focus Absolute Return Fund (n)	---	-2.5	10.2	7.1	3.5	2.8	8.3	2.6	-1.2	3.4
Focus Investment Group - Focus Asia Fund	---	---	9.8	-1.2	7.2	0.4	7.1	1.9	22.6	-2.0
Focus Investment Group - Focus Europa Fund	14.1	24.9	34.8	14.8	-0.8	-2.5	5.9	7.6	12.6	13.7
Focus Investment Group - Focus Opportunity Fund	14.3	0.8	31.2	7.4	-2.3	1.6	7.0	5.1	9.6	2.4
Focus Investment Group - Focus Star Fund	---	---	---	2.0	10.3	2.8	11.0	6.4	11.8	3.9
Forest Hill Capital - Forest Hill Partners, L.P.	---	---	---	---	14.3	-7.0	20.4	14.5	14.2	7.7
Franklin Street Partners - Franklin Street Multi-Strategy Fund L.P.	---	---	---	---	---	---	11.8	5.9	5.0	8.9
Fullerton Fund Mgmt Co. - Fullerton Abs. Ret. Inv. Strategies Fund	---	---	---	---	---	---	---	---	8.0	11.7
Fullerton Fund Mgmt Co. - Fullerton Monex Asia Fund (n)	---	---	---	---	---	---	---	---	---	4.8
Galleon Management, LLC - Galleon Diversified Fund, Ltd.	---	---	---	---	---	---	20.6	5.6	7.1	25.7
GAM USA Inc. - GAM Diversity Inc.	26.9	1.7	39.6	7.0	7.9	3.4	12.1	4.8	10.5	16.8
GAM USA Inc. - GAM Trading IV Inc.	---	---	---	---	---	5.8	10.1	0.3	2.1	6.2
Genesee Investments - Genesee Eagle Fund, L.P.	18.2	-11.8	15.6	13.6	5.2	0.9	9.9	8.1	12.6	9.6
Glenwood Capital Investments, LLC - Glenwood Partners, L.P.	21.5	-1.8	26.0	15.8	8.9	3.7	6.7	4.0	8.7	8.9
Goldman Sachs Princeton LLC - GS Global Event Driven	---	---	---	---	---	0.1	14.7	10.6	6.4	12.4
Goldman Sachs Princeton LLC - GS Global Relative Value	---	---	---	---	---	3.4	5.8	4.0	3.3	3.6
Goldman Sachs Princeton LLC - GS Hedge Fund Opportunities, Ltd	---	---	---	---	---	---	---	---	---	9.6
Goldman Sachs Princeton LLC - GS Hedge Fund Partners	---	---	---	---	---	---	9.1	4.5	4.5	8.0
Goldman Sachs Princeton LLC - GS Princeton Fund	---	---	---	---	---	---	---	---	---	9.7
Gottex America Limited - Gottex Market Neutral Fund	---	---	---	14.1	6.6	7.1	7.2	6.0	4.1	9.0
Maximum	33.2	40.2	50.0	27.1	29.0	17.7	36.0	35.0	22.6	26.7
Median	18.4	0.2	21.2	14.5	7.3	2.5	12.1	7.5	6.8	10.2
Minimum	11.9	-21.0	2.8	-6.0	-2.3	-7.0	2.4	-1.7	-7.4	-2.0
Number of Funds	37	46	56	71	84	108	133	150	161	177
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 38 (continued)

REPRESENTATIVE MULTI-STRATEGY FUNDS-OF-FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Multi-Strategy Funds-of-Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Evanston Capital Management LLC - The Weatherlow Fund I L.P.	---	---	---	---	---	9.8	10.8	10.3	11.5	12.3
Fauchier Partners LLP - Baring Asia Hedge Select Fund	---	---	---	---	---	---	---	7.3	9.1	6.4
Fauchier Partners LLP - Jubilee Absolute Return Fund	---	---	---	---	---	---	---	---	7.3	8.0
Fauchier Partners LLP - Oxford Fauchier Limited Partnership	---	---	---	---	---	13.6	15.1	12.1	9.8	23.3
Fauchier Partners LLP - Paragon Capital Appreciation Fund	7.3	6.5	7.8	6.1	5.7	6.4	8.3	7.5	8.4	9.1
Federal Street Partners - Federal Street Associates I, LLC	---	---	---	9.7	10.7	11.9	14.4	14.1	15.4	14.6
Federal Street Partners - Federal Street Associates Offshore, Ltd.	---	---	---	---	---	---	14.3	13.3	15.0	14.7
Federal Street Partners - Federal Street Multi-Strategy Fund, LLC	---	---	---	---	---	---	---	11.2	11.1	13.6
Federal Street Partners - Federal Street Multi-Strategy Offshore, Ltd	---	---	---	---	---	---	---	---	12.0	13.0
Financial Risk Mgmt - Absolute Alpha Fund PCC Ltd. - Diversified	---	8.1	9.1	8.5	7.3	6.9	7.0	6.6	8.0	8.9
Financial Risk Mgmt - FRM Equity Opps Fund SPC - Europe	---	---	---	---	---	---	---	---	---	26.7
Fischer & Co. LLC - Fischer Garrison Fund, L.P.	---	---	---	---	---	8.4	10.2	9.5	9.7	12.6
Focus Investment Group - Focus Absolute Return Fund (n)	---	3.7	4.5	3.8	3.2	3.1	3.2	1.6	1.1	3.4
Focus Investment Group - Focus Asia Fund	---	---	5.5	4.9	5.9	5.7	7.0	7.0	9.6	-2.0
Focus Investment Group - Focus Europa Fund	12.0	11.8	10.3	7.1	5.9	7.3	9.9	11.3	13.1	13.7
Focus Investment Group - Focus Opportunity Fund	7.4	6.6	7.4	4.3	3.8	5.1	6.0	5.7	5.9	2.4
Focus Investment Group - Focus Star Fund	---	---	---	6.8	7.6	7.1	8.2	7.3	7.8	3.9
Forest Hill Capital - Forest Hill Partners, L.P.	---	---	---	---	10.3	9.5	14.1	12.1	10.9	7.7
Franklin Street Partners - Franklin Street Multi-Strategy Fund L.P.	---	---	---	---	---	---	7.9	6.6	6.9	8.9
Fullerton Fund Mgmt Co. - Fullerton Abs. Ret. Inv. Strategies Fund	---	---	---	---	---	---	---	---	9.9	11.7
Fullerton Fund Mgmt Co. - Fullerton Monex Asia Fund (n)	---	---	---	---	---	---	---	---	---	4.8
Galleon Management, LLC - Galleon Diversified Fund, Ltd.	---	---	---	---	---	---	14.4	12.4	16.0	25.7
GAM USA Inc. - GAM Diversity Inc.	12.5	11.0	12.3	8.8	9.2	9.4	10.9	10.6	13.6	16.8
GAM USA Inc. - GAM Trading IV Inc.	---	---	---	---	---	4.8	4.6	2.8	4.1	6.2
Genesee Investments - Genesee Eagle Fund, L.P.	7.9	6.8	9.4	8.5	7.7	8.2	10.1	10.1	11.1	9.6
Glenwood Capital Investments, LLC - Glenwood Partners, L.P.	10.0	8.7	10.1	8.0	6.8	6.4	7.1	7.2	8.8	8.9
Goldman Sachs Princeton LLC - GS Global Event Driven	---	---	---	---	---	8.7	11.0	9.7	9.3	12.4
Goldman Sachs Princeton LLC - GS Global Relative Value	---	---	---	---	---	4.0	4.2	3.6	3.4	3.6
Goldman Sachs Princeton LLC - GS Hedge Fund Opportunities, Ltd	---	---	---	---	---	---	---	---	---	9.6
Goldman Sachs Princeton LLC - GS Hedge Fund Partners	---	---	---	---	---	---	6.5	5.7	6.2	8.0
Goldman Sachs Princeton LLC - GS Princeton Fund	---	---	---	---	---	---	---	---	---	9.7
Gottex America Limited - Gottex Market Neutral Fund	---	---	---	7.7	6.7	6.7	6.6	6.3	6.5	8.9
Maximum	16.4	14.6	14.7	12.3	12.9	14.8	18.0	18.4	20.2	26.7
Median	10.9	9.7	10.7	8.9	7.9	7.8	9.3	8.7	8.8	10.2
Minimum	7.3	3.7	4.5	3.8	3.2	3.1	3.1	1.6	0.3	-2.0
Number of Funds	37	46	56	71	84	108	133	150	161	177
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 38 (continued)

REPRESENTATIVE MULTI-STRATEGY FUNDS-OF-FUNDS

Annual Returns (%)

Multi-Strategy Funds-of-Funds	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Grantham, Mayo, Van Otterloo & Company - GMO Multi-Strategy	---	---	---	---	---	---	5.1	4.5	2.3	4.1
Greenlight Capital - Greenlight Masters Offshore, Ltd.	---	---	---	---	---	5.3	17.6	13.2	12.1	12.7
Grosvenor Capital Mgmt - Grosvenor Institutional Partners, L.P.	---	---	---	15.6	8.3	2.3	11.2	6.9	6.8	9.3
Grosvenor Capital Mgmt - Grosvenor Multi-Strategy Fund II, Ltd.	---	---	---	---	---	---	---	5.5	6.0	9.6
Grosvenor Capital Mgmt - Grosvenor Multi-Strategy Fund, L.P.	15.9	-6.8	25.9	20.8	8.5	2.0	13.5	7.4	6.6	9.7
Guidance Capital, LLC - Guidance Blue Terrain, L.P.	---	---	---	---	---	---	16.4	7.9	8.7	10.3
Guidance Capital, LLC - Guidance Green Terrain, L.P.	---	---	---	---	---	3.8	6.5	5.0	3.5	10.3
Harmonic Capital Partners L.L.P. - Harmonic Global Fund	---	---	---	---	---	---	---	6.4	5.0	-0.3
Harris Alternatives LLC - Aurora Global Opportunities L.P.	17.5	-12.0	50.0	3.0	10.8	2.1	20.0	11.5	13.2	12.7
Harris Alternatives LLC - Aurora L.P.	22.2	-2.2	19.7	15.8	11.3	1.5	15.1	9.6	9.5	10.6
Headstart Advisers Ltd. - Headstart Fund of Funds Ltd.	---	---	---	15.5	4.9	4.6	10.7	14.1	9.5	12.5
Henderson Global Investors - Pan-European Equity Multi-Strategy	---	---	---	---	---	---	---	9.4	6.7	11.0
Ironwood Capital Management - Ironwood Partners, L.P.	18.8	8.8	23.6	22.5	10.2	3.8	14.3	10.1	6.5	11.6
Ivy Asset Mgmt Corp. - BNY Partners Multi-Manager HF Limited	---	---	---	---	6.8	2.7	9.3	6.2	3.7	6.6
Ivy Asset Mgmt Corp. - BNY Partners Multi-Manager HF LLC	---	---	---	---	7.8	3.3	9.2	7.2	4.9	4.7
Ivy Asset Mgmt Corp. - Ivy Clarus Associates, L.P.	---	---	---	---	6.9	0.4	14.3	7.4	7.8	11.3
Ivy Asset Mgmt Corp. - Ivy Defenders Fund, L.P.	---	---	---	16.8	8.3	2.5	9.4	7.7	5.2	7.0
Ivy Asset Mgmt Corp. - Ivy Maplewood Associates II, L.P.	---	---	---	---	---	2.2	9.8	7.1	4.8	7.1
Ivy Asset Mgmt Corp. - Ivy Rosewood Associates, L.P.	---	---	---	---	9.0	5.5	5.0	3.5	2.9	6.7
Ivy Asset Mgmt Corp. - Ivy Seedling Fund, L.P.	23.2	2.6	28.1	15.0	12.6	-6.5	16.2	8.3	4.7	14.3
James River Capital Corp. - James River Multi-Strategy Fund, L.P.	---	---	---	---	7.1	3.9	15.1	5.5	5.3	8.2
K2 Advisors - K2 Investment Partners, L.P.	32.3	-2.3	35.0	17.6	6.7	-3.1	10.7	8.0	7.2	9.5
K2 Advisors - K2 Overseas Diversified Fund, Ltd.	---	---	---	---	---	---	---	5.0	5.5	11.7
Landmark Advisors LLC - Landmark Value Strategies	---	---	---	---	---	3.0	16.6	13.3	10.5	12.5
Lehman Brothers Alt. Inv. Mgmt - LB Diversified Arb Master Fund	---	---	---	---	---	2.6	10.6	7.1	5.7	11.4
Lyster Watson Mgmt, Inc. - Composite: Moderate Volatility	---	---	---	4.7	8.9	5.9	15.6	8.1	5.2	12.0
Lyster Watson Mgmt, Inc. - Conservative Alt. Strategies Fund L.P.	---	---	---	4.5	5.3	7.8	13.8	7.3	5.9	10.3
Lyster Watson Mgmt, Inc. - Distressed Opportunity Fund, L.P.	---	---	---	---	---	2.8	22.7	14.5	6.6	13.8
Mariner Investment Group, Inc. - Mariner Select, L.P.	15.5	5.1	35.8	8.9	9.8	5.2	11.4	5.0	6.1	8.1
Maverick Capital - Maverick Stable Funds	---	---	---	---	---	---	9.6	13.7	11.7	13.1
Meridian Capital Partners - Meridian Diversified Fund, L.P.	---	---	---	---	6.5	0.3	7.4	6.7	9.0	9.6
Meridian Capital Partners - Meridian Performance Partners, L.P.	---	10.9	48.5	22.9	1.8	1.6	9.0	7.6	9.7	6.0
Maximum	33.2	40.2	50.0	27.1	29.0	17.7	36.0	35.0	22.6	26.7
Median	18.4	0.2	21.2	14.5	7.3	2.5	12.1	7.5	6.8	10.2
Minimum	11.9	-21.0	2.8	-6.0	-2.3	-7.0	2.4	-1.7	-7.4	-2.0
Number of Funds	37	46	56	71	84	108	133	150	161	177
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 38 (continued)

REPRESENTATIVE MULTI-STRATEGY FUNDS-OF-FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Multi-Strategy Funds-of-Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Grantham, Mayo, Van Otterloo & Company - GMO Multi-Strategy	---	---	---	---	---	---	4.0	3.6	3.2	4.1
Greenlight Capital - Greenlight Masters Offshore, Ltd.	---	---	---	---	---	12.1	13.9	12.7	12.4	12.7
Grosvenor Capital Mgmt - Grosvenor Institutional Partners, L.P.	---	---	---	8.5	7.4	7.2	8.5	7.6	8.0	9.3
Grosvenor Capital Mgmt - Grosvenor Multi-Strategy Fund II, Ltd.	---	---	---	---	---	---	---	7.0	7.8	9.6
Grosvenor Capital Mgmt - Grosvenor Multi-Strategy Fund, L.P.	10.0	9.3	11.5	9.6	7.9	7.8	9.3	7.9	8.1	9.7
Guidance Capital, LLC - Guidance Blue Terrain, L.P.	---	---	---	---	---	---	10.8	8.9	9.5	10.3
Guidance Capital, LLC - Guidance Green Terrain, L.P.	---	---	---	---	---	5.8	6.3	6.2	6.8	10.3
Harmonic Capital Partners L.L.P. - Harmonic Global Fund	---	---	---	---	---	---	---	3.6	2.3	-0.3
Harris Alternatives LLC - Aurora Global Opportunities L.P.	11.9	11.3	14.6	10.3	11.6	11.8	14.3	12.5	12.9	12.7
Harris Alternatives LLC - Aurora L.P.	11.1	9.9	11.5	10.4	9.5	9.2	11.2	9.9	10.1	10.6
Headstart Advisers Ltd. - Headstart Fund of Funds Ltd.	---	---	---	10.2	9.3	10.2	11.7	12.0	11.0	12.5
Henderson Global Investors - Pan-European Equity Multi-Strategy	---	---	---	---	---	---	---	9.0	8.8	11.0
Ironwood Capital Management - Ironwood Partners, L.P.	12.8	12.2	12.6	11.2	9.4	9.2	10.6	9.4	9.0	11.6
Ivy Asset Mgmt Corp. - BNY Partners Multi-Manager HF Limited	---	---	---	---	5.8	5.7	6.4	5.5	5.1	6.6
Ivy Asset Mgmt Corp. - BNY Partners Multi-Manager HF LLC	---	---	---	---	6.2	5.8	6.5	5.6	4.8	4.7
Ivy Asset Mgmt Corp. - Ivy Clarus Associates, L.P.	---	---	---	---	7.9	8.1	10.2	8.8	9.6	11.3
Ivy Asset Mgmt Corp. - Ivy Defenders Fund, L.P.	---	---	---	8.0	6.6	6.3	7.3	6.6	6.1	7.0
Ivy Asset Mgmt Corp. - Ivy Maplewood Associates II, L.P.	---	---	---	---	---	6.2	7.2	6.3	5.9	7.1
Ivy Asset Mgmt Corp. - Ivy Rosewood Associates, L.P.	---	---	---	---	5.4	4.7	4.5	4.3	4.7	6.7
Ivy Asset Mgmt Corp. - Ivy Seedling Fund, L.P.	11.4	10.2	11.2	9.0	8.0	7.1	10.8	9.0	9.4	14.3
James River Capital Corp. - James River Multi-Strategy Fund, L.P.	---	---	---	---	7.4	7.5	8.4	6.3	6.7	8.2
K2 Advisors - K2 Investment Partners, L.P.	11.5	9.4	11.0	7.9	6.4	6.3	8.8	8.2	8.3	9.5
K2 Advisors - K2 Overseas Diversified Fund, Ltd.	---	---	---	---	---	---	---	7.3	8.5	11.7
Landmark Advisors LLC - Landmark Value Strategies	---	---	---	---	---	11.1	13.2	12.1	11.5	12.5
Lehman Brothers Alt. Inv. Mgmt - LB Diversified Arb Master Fund	---	---	---	---	---	7.4	8.7	8.0	8.5	11.4
Lyster Watson Mgmt, Inc. - Composite: Moderate Volatility	---	---	---	8.6	9.2	9.3	10.2	8.4	8.6	12.0
Lyster Watson Mgmt, Inc. - Conservative Alt. Strategies Fund L.P.	---	---	---	7.8	8.3	9.0	9.3	7.8	8.1	10.3
Lyster Watson Mgmt, Inc. - Distressed Opportunity Fund, L.P.	---	---	---	---	---	11.9	14.2	11.6	10.1	13.8
Mariner Investment Group, Inc. - Mariner Select, L.P.	10.8	10.3	10.9	7.8	7.6	7.1	7.6	6.4	7.1	8.1
Maverick Capital - Maverick Stable Funds	---	---	---	---	---	---	12.0	12.8	12.4	13.1
Meridian Capital Partners - Meridian Diversified Fund, L.P.	---	---	---	---	6.5	6.5	8.2	8.4	9.3	9.6
Meridian Capital Partners - Meridian Performance Partners, L.P.	---	12.4	12.5	8.2	5.9	6.7	8.1	7.8	7.8	6.0
Maximum	16.4	14.6	14.7	12.3	12.9	14.8	18.0	18.4	20.2	26.7
Median	10.9	9.7	10.7	8.9	7.9	7.8	9.3	8.7	8.8	10.2
Minimum	7.3	3.7	4.5	3.8	3.2	3.1	3.1	1.6	0.3	-2.0
Number of Funds	37	46	56	71	84	108	133	150	161	177
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 38 (continued)

REPRESENTATIVE MULTI-STRATEGY FUNDS-OF-FUNDS

Annual Returns (%)

Multi-Strategy Funds-of-Funds	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Mezzacappa Management LLC - Mezzacappa Partners, L.P.	---	---	41.8	13.5	3.5	-4.5	3.5	10.2	9.6	14.2
Milbank Winthrop & Company - MW Small Cap L.P.	18.7	-5.8	21.2	9.6	14.0	-6.6	36.0	14.6	6.4	11.2
Milbank Winthrop & Company - MW Special Situations, L.P.	15.3	7.5	10.4	16.2	9.2	2.2	19.7	10.4	7.6	10.6
Millbrook Investment Mgmt Co., LLC - Millbrook Partners, LLC	---	---	---	---	---	11.3	14.5	9.6	6.4	10.2
Muirfield Capital Management, LLC - Low Volatility Fund	---	---	---	---	---	---	11.3	6.1	1.6	0.0
Nantucket Multi Managers, LLC - Nantucket Fund, L.P.	25.8	-3.8	22.7	-6.0	4.8	0.6	14.7	11.8	6.3	10.9
NewMarket Cap. Partners - NewMarket Capital Partners Select	---	---	---	---	---	---	12.6	7.1	4.2	-0.7
Nyes Ledge Capital Mgmt LLC - Nyes Ledge Capital Partners, L.P.	---	---	---	---	---	---	---	---	---	9.7
Offit Hall Cap. Mgmt - OH Absolute Return Fund Master-Feeder	---	---	---	---	---	---	16.0	11.3	9.0	11.8
Omega Advisors, Inc. - Pine Street Associates, L.P.	---	---	---	---	---	---	---	---	11.7	13.4
Pacific Alt. Asset Mgmt Co., LLC - Pacific Capital Growth, LLC	---	---	---	---	---	1.4	13.4	6.7	5.6	11.4
Pacific Alt. Asset Mgmt Co., LLC - Pacific Hedged Strategies, LLC	---	---	---	---	---	1.5	14.1	6.4	5.2	10.3
Pacific Alt. Asset Mgmt Co., LLC - Pacific Tradewinds, Ltd.	---	---	---	---	---	---	---	6.1	5.2	10.2
Pacific Strategic Mgmt, L.P. - Pacific Strategic Investors (HF), L.P.	---	---	---	---	---	---	---	21.3	6.4	20.5
Paloma Partners Management Company - Paloma Partners L.P.	17.5	-21.0	30.4	27.1	11.8	7.1	7.7	4.9	1.1	14.7
Paradigm Global Advisors - PARADIGM Enhanced Master Fund	---	---	---	---	---	---	---	---	---	4.6
Paradigm Global Advisors - PARADIGM Equities, Ltd.	33.2	40.2	34.2	24.4	5.0	-2.0	11.6	13.1	4.3	8.1
Paradigm Global Advisors - PARADIGM Futures Fund I	---	---	2.8	-3.4	29.0	17.7	23.4	-1.7	3.5	8.5
Pequot Capital Management, Inc. - Pequot Diversified Fund, L.P.	---	---	---	---	---	---	---	---	7.1	5.9
Permal Asset Mgmt - Long Short Global Equity Holdings N.V.	---	---	---	---	---	-2.4	12.5	8.7	10.0	8.2
Persistent Edge Management - Persistent Edge Asia Partners, L.P.	---	---	---	---	---	---	---	14.1	19.8	20.3
Pine Grove Associates - Pine Grove Institutional Partners, L.P.	11.9	0.1	11.3	17.0	8.0	4.5	14.2	7.2	5.4	10.2
Pine Grove Associates - Pine Grove Partners, L.P.	12.4	-0.3	12.2	16.7	10.5	6.1	15.1	7.5	5.5	9.6
Private Advisors - Private Advisors Alternative Asset Fund QP, L.P.	---	---	17.0	17.1	8.9	3.6	17.0	9.0	5.2	11.2
Private Advisors - Private Advisors Income Fund, L.P.	---	---	---	---	---	---	---	---	6.9	10.3
Protégé Partners, LLC - Protégé Partners, L.P.	---	---	---	---	---	---	15.5	8.0	9.3	10.9
Quellos Capital Mgmt, L.P. - Quellos Strategic Partners II, Ltd.	22.4	3.7	23.6	21.3	7.6	3.8	9.2	6.0	5.1	12.8
Ramius Capital Group, LLC - Tapestry Fund, L.P.	---	0.6	13.7	16.8	7.2	0.4	12.2	7.8	3.9	7.2
Research Affiliates LLC - Research Affiliates Capital	---	---	---	---	---	---	23.1	35.0	-7.4	8.6
RMF Investment Products - RMF Four Seasons	---	---	---	7.2	5.0	4.9	10.0	5.8	7.0	9.7
Robeco-Sage Associates, LLC - Robeco-Sage Capital, L.P.	17.9	-0.9	33.8	12.5	10.3	2.5	13.8	7.8	8.7	11.0
Rohatyn Group - The Rohatyn Group Asia Opportunity Fund, Ltd.	---	---	---	---	---	---	---	---	-3.5	16.2
Maximum	33.2	40.2	50.0	27.1	29.0	17.7	36.0	35.0	22.6	26.7
Median	18.4	0.2	21.2	14.5	7.3	2.5	12.1	7.5	6.8	10.2
Minimum	11.9	-21.0	2.8	-6.0	-2.3	-7.0	2.4	-1.7	-7.4	-2.0
Number of Funds	37	46	56	71	84	108	133	150	161	177
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 38 (continued)

REPRESENTATIVE MULTI-STRATEGY FUNDS-OF-FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Multi-Strategy Funds-of-Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Mezzacappa Management LLC - Mezzacappa Partners, L.P.	---	---	10.8	7.0	5.9	6.4	9.3	11.3	11.9	14.2
Milbank Winthrop & Company - MW Small Cap L.P.	11.3	10.5	12.7	11.6	11.9	11.5	16.5	10.7	8.8	11.2
Milbank Winthrop & Company - MW Special Situations, L.P.	10.8	10.3	10.7	10.7	9.8	10.0	12.0	9.5	9.1	10.6
Millbrook Investment Mgmt Co., LLC - Millbrook Partners, LLC	---	---	---	---	---	10.4	10.1	8.7	8.3	10.2
Muirfield Capital Management, LLC - Low Volatility Fund	---	---	---	---	---	---	4.7	2.6	0.8	0.0
Nantucket Multi Managers, LLC - Nantucket Fund, L.P.	8.3	6.5	7.9	5.9	8.1	8.7	10.9	9.6	8.6	10.9
NewMarket Cap. Partners - NewMarket Capital Partners Select	---	---	---	---	---	---	5.7	3.5	1.7	-0.6
Nyes Ledge Capital Mgmt LLC - Nyes Ledge Capital Partners, L.P.	---	---	---	---	---	---	---	---	---	9.7
Offit Hall Cap. Mgmt - OH Absolute Return Fund Master-Feeder	---	---	---	---	---	---	12.0	10.7	10.4	11.8
Omega Advisors, Inc. - Pine Street Associates, L.P.	---	---	---	---	---	---	---	---	12.5	13.4
Pacific Alt. Asset Mgmt Co., LLC - Pacific Capital Growth, LLC	---	---	---	---	---	7.6	9.2	7.9	8.5	11.4
Pacific Alt. Asset Mgmt Co., LLC - Pacific Hedged Strategies, LLC	---	---	---	---	---	7.4	9.0	7.3	7.7	10.3
Pacific Alt. Asset Mgmt Co., LLC - Pacific Tradewinds, Ltd.	---	---	---	---	---	---	---	7.1	7.7	10.2
Pacific Strategic Mgmt, L.P. - Pacific Strategic Investors (HF), L.P.	---	---	---	---	---	---	---	15.9	13.2	20.5
Paloma Partners Management Company - Paloma Partners L.P.	9.2	8.3	12.7	10.3	7.8	7.0	7.0	6.8	7.7	14.7
Paradigm Global Advisors - PARADIGM Enhanced Master Fund	---	---	---	---	---	---	---	---	---	4.6
Paradigm Global Advisors - PARADIGM Equities, Ltd.	16.4	14.6	11.8	8.9	6.5	6.9	9.2	8.4	6.2	8.1
Paradigm Global Advisors - PARADIGM Futures Fund I	---	---	9.4	10.4	12.9	9.9	8.1	3.4	6.0	8.5
Pequot Capital Management, Inc. - Pequot Diversified Fund, L.P.	---	---	---	---	---	---	---	---	6.5	5.9
Permal Asset Mgmt - Long Short Global Equity Holdings N.V.	---	---	---	---	---	7.3	9.9	9.0	9.1	8.2
Persistent Edge Management - Persistent Edge Asia Partners, L.P.	---	---	---	---	---	---	---	18.1	20.1	20.3
Pine Grove Associates - Pine Grove Institutional Partners, L.P.	8.9	8.5	9.7	9.4	8.2	8.2	9.2	7.6	7.8	10.2
Pine Grove Associates - Pine Grove Partners, L.P.	9.4	9.1	10.3	10.1	9.0	8.7	9.4	7.5	7.5	9.6
Private Advisors - Private Advisors Alternative Asset Fund QP, L.P.	---	---	11.0	10.2	9.0	9.1	10.5	8.4	8.2	11.2
Private Advisors - Private Advisors Income Fund, L.P.	---	---	---	---	---	---	---	---	8.6	10.3
Protégé Partners, LLC - Protégé Partners, L.P.	---	---	---	---	---	---	10.9	9.4	10.1	10.9
Quellos Capital Mgmt, L.P. - Quellos Strategic Partners II, Ltd.	11.3	10.1	11.0	9.3	7.4	7.3	8.2	7.9	8.9	12.8
Ramius Capital Group, LLC - Tapestry Fund, L.P.	---	7.6	8.5	7.8	6.4	6.2	7.7	6.3	5.5	7.2
Research Affiliates LLC - Research Affiliates Capital	---	---	---	---	---	---	13.7	10.8	0.3	8.6
RMF Investment Products - RMF Four Seasons	---	---	---	7.1	7.1	7.5	8.1	7.5	8.3	9.7
Robeco-Sage Associates, LLC - Robeco-Sage Capital, L.P.	11.4	10.7	12.2	9.5	9.0	8.7	10.3	9.2	9.9	11.0
Rohatyn Group - The Rohatyn Group Asia Opportunity Fund, Ltd.	---	---	---	---	---	---	---	---	5.9	16.2
Maximum	16.4	14.6	14.7	12.3	12.9	14.8	18.0	18.4	20.2	26.7
Median	10.9	9.7	10.7	8.9	7.9	7.8	9.3	8.7	8.8	10.2
Minimum	7.3	3.7	4.5	3.8	3.2	3.1	3.1	1.6	0.3	-2.0
Number of Funds	37	46	56	71	84	108	133	150	161	177
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 38 (continued)

REPRESENTATIVE MULTI-STRATEGY FUNDS-OF-FUNDS

Annual Returns (%)

Multi-Strategy Funds-of-Funds	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SCS Financial Services, LLC - SCS Capital Partners, LLC	---	---	---	---	---	---	---	---	---	9.8
SCS Financial Services, LLC - SCS Opportunities Fund, Ltd.	---	---	---	---	---	---	---	---	---	10.2
Sire Management Partners - Sire Discovery Group, L.P.	25.5	-9.1	38.1	23.4	11.7	3.9	10.0	9.6	11.5	12.6
Sire Management Partners - Sire Global Partners, L.P.	25.0	-20.1	26.1	1.9	3.5	2.8	16.7	15.0	19.7	20.6
The 1794 Commodore Funds - The 1794 Commodore Funds	---	---	---	---	---	---	13.4	8.8	7.3	13.6
The Rock Creek Group - Rock Creek Commingled Fund (E), Ltd.	---	---	---	---	---	---	---	7.1	7.4	7.5
The Rock Creek Group - Rock Creek Georgetown Fund, Ltd.	---	---	---	---	---	---	---	---	---	8.7
The Rock Creek Group - Rock Creek Potomac Fund, Ltd.	---	---	---	---	---	---	---	---	---	6.5
The Rock Creek Group - Rock Creek Spring Valley Fund, Ltd.	---	---	---	---	---	---	---	---	---	2.9
TIFF Investment Program - TIFF Absolute Return Pool	---	---	---	22.1	8.2	2.4	15.7	11.2	11.7	15.8
TIFF Investment Program - TIFF Absolute Return Pool II	---	---	---	---	---	---	13.1	9.0	10.3	14.3
Treflie Capital Management, LLC - Treflie Absolute, L.P.	---	---	25.5	16.6	7.0	1.2	12.1	10.4	9.4	11.4
Tremont Capital Mgmt - Tremont Core Diversified Composite	16.6	-0.6	26.2	16.0	8.1	2.4	9.6	6.4	7.5	9.3
Tremont Capital Mgmt - Tremont Market Neutral Composite	---	---	9.4	12.2	8.6	3.2	7.4	3.9	5.8	9.0
Union Bancaire Privee Asset Mgmt - Dinvest Concentrated Opps II	---	---	---	---	---	---	---	---	---	16.7
Union Bancaire Privee Asset Mgmt - Selectinvest Arb/Relative Val.	---	---	10.5	15.2	8.1	1.3	13.1	7.6	8.4	15.0
Union Bancaire Privee Asset Mgmt - Selectinvest MultiStrategy	---	---	---	---	---	---	---	7.4	9.8	12.3
Maximum	33.2	40.2	50.0	27.1	29.0	17.7	36.0	35.0	22.6	26.7
Median	18.4	0.2	21.2	14.5	7.3	2.5	12.1	7.5	6.8	10.2
Minimum	11.9	-21.0	2.8	-6.0	-2.3	-7.0	2.4	-1.7	-7.4	-2.0
Number of Funds	37	46	56	71	84	108	133	150	161	177
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 38 (continued)

REPRESENTATIVE MULTI-STRATEGY FUNDS-OF-FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Multi-Strategy Funds-of-Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
SCS Financial Services, LLC - SCS Capital Partners, LLC	---	---	---	---	---	---	---	---	---	9.7
SCS Financial Services, LLC - SCS Opportunities Fund, Ltd.	---	---	---	---	---	---	---	---	---	10.2
Sire Management Partners - Sire Discovery Group, L.P.	13.1	11.8	14.7	11.7	9.9	9.5	10.9	11.2	12.1	12.6
Sire Management Partners - Sire Global Partners, L.P.	10.2	8.7	12.9	11.2	12.8	14.8	18.0	18.4	20.2	20.6
The 1794 Commodore Funds - The 1794 Commodore Funds	---	---	---	---	---	---	10.8	9.9	10.4	13.6
The Rock Creek Group - Rock Creek Commingled Fund (E), Ltd.	---	---	---	---	---	---	---	7.3	7.5	7.5
The Rock Creek Group - Rock Creek Georgetown Fund, Ltd.	---	---	---	---	---	---	---	---	---	8.7
The Rock Creek Group - Rock Creek Potomac Fund, Ltd.	---	---	---	---	---	---	---	---	---	6.5
The Rock Creek Group - Rock Creek Spring Valley Fund, Ltd.	---	---	---	---	---	---	---	---	---	2.9
TIFF Investment Program - TIFF Absolute Return Pool	---	---	---	12.3	10.7	11.2	13.6	12.8	13.7	15.8
TIFF Investment Program - TIFF Absolute Return Pool II	---	---	---	---	---	---	11.6	11.2	12.3	14.3
Treflie Capital Management, LLC - Treflie Absolute, L.P.	---	---	11.5	9.6	8.5	8.8	10.8	10.4	10.4	11.4
Tremont Capital Mgmt - Tremont Core Diversified Composite	9.9	9.2	10.5	8.4	7.2	7.0	8.2	7.7	8.4	9.3
Tremont Capital Mgmt - Tremont Market Neutral Composite	---	---	7.4	7.1	6.3	5.8	6.5	6.2	7.4	9.0
Union Bancaire Privee Asset Mgmt - Dinvest Concentrated Opps II	---	---	---	---	---	---	---	---	---	16.7
Union Bancaire Privee Asset Mgmt - Selectinvest Arb/Relative Val.	---	---	9.8	9.7	8.8	9.0	10.9	10.2	11.6	15.0
Union Bancaire Privee Asset Mgmt - Selectinvest MultiStrategy	---	---	---	---	---	---	---	9.8	11.1	12.3
Maximum	16.4	14.6	14.7	12.3	12.9	14.8	18.0	18.4	20.2	26.7
Median	10.9	9.7	10.7	8.9	7.9	7.8	9.3	8.7	8.8	10.2
Minimum	7.3	3.7	4.5	3.8	3.2	3.1	3.1	1.6	0.3	-2.0
Number of Funds	37	46	56	71	84	108	133	150	161	177
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 39

REPRESENTATIVE MULTI-STRATEGY FUNDS

Annual Returns (%)

Multi-Strategy Funds	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Angelo, Gordon & Co., L.P. - AG Long-Term Super Fund, L.P.	13.4	5.4	12.8	6.6	9.9	-8.4	3.3	7.7	21.5	32.0
Angelo, Gordon & Co., L.P. - AG Super Fund, L.P.	18.1	11.2	18.3	10.4	9.6	-0.6	39.6	11.3	13.7	14.3
Arnhold and S. Bleichroeder Advisers, LLC - Iolaire Partners	21.7	9.1	11.7	13.5	-0.5	-0.6	2.6	4.3	8.2	15.0
Avenue Capital Group - Avenue Event Driven, L.P.	---	---	---	---	---	---	---	---	7.3	0.4
Basso Capital Management, L.P. - Basso Multi-Strategy Fund, Ltd.	---	---	---	---	---	---	---	5.0	8.6	26.0
BlackRock, Inc. - The Obsidian Fund LLC	---	11.5	15.4	25.4	9.8	-7.5	8.5	10.3	2.8	-2.0
Boldwater Capital Mgmt - Boldwater Capital Partners Fund, L.P.	---	---	---	---	---	---	---	---	---	6.9
Brencourt Advisors, LLC - Brencourt Multi-Strategy, L.P.	---	---	---	---	---	2.3	12.3	14.3	8.9	13.5
Canyon Capital Advisors LLC - Canyon Value Realization Funds	20.8	-13.0	28.2	4.9	12.3	5.2	25.0	14.6	9.5	13.3
Carlson Capital, L.P. - Black Diamond Arbitrage Offshore LDC	---	---	18.8	25.4	3.3	6.2	7.3	3.0	2.5	17.0
Carlson Capital, L.P. - Black Diamond Partners Offshore Ltd.	14.7	5.2	11.6	16.8	7.5	1.5	5.4	3.0	3.6	15.1
Carlson Capital, L.P. - Black Diamond Relative Val. Offshore LDC	---	---	16.5	26.5	16.1	1.7	5.7	3.0	2.4	15.5
Carlson Capital, L.P. - Double Black Diamond Offshore LDC	---	8.7	15.0	27.4	12.4	2.4	7.8	5.0	5.3	21.5
Catalyst Investment Management Co. - Catalyst Master Fund	20.5	-2.9	42.9	18.8	9.7	-18.2	23.3	16.0	7.7	4.2
Concordia Mgmt Corp. - Concordia I, L.P.	18.3	7.7	5.7	19.9	8.9	5.4	5.8	4.3	7.1	9.2
Cyrus Capital Partners - Cyrus Opportunities Fund II, L.P.	---	---	---	---	18.4	-8.9	40.7	10.6	2.6	12.3
D.B. Zwirn & Co., L.P. - D.B. Zwirn Special Opportunities Funds	---	---	---	---	---	---	15.9	15.7	13.5	17.7
D.E. Shaw & Company, LLC - D.E. Shaw Composite Portfolios	---	---	---	---	---	25.4	14.7	17.2	18.0	17.3
Davidson Kempner Cap. Mgmt LLC - Davidson Kempner Int'l Ltd	9.8	3.7	15.9	19.1	6.7	2.7	12.6	8.3	8.6	17.3
Deephaven Cap. Mgmt - Deephaven Market Neutral Fund LLC	---	---	21.1	33.6	11.5	7.8	13.9	6.1	6.2	19.4
DKR Mgmt Co. Inc. - Int'l Relative Value Fund, Ltd. - Class A	11.7	3.2	11.5	18.3	14.4	8.6	10.2	6.6	1.3	9.1
DKR Mgmt Co. Inc. - Int'l Relative Value Fund, Ltd. - Class Plus B	---	---	---	15.4	8.9	9.9	12.2	5.3	0.4	8.1
EBF & Associates - Merced Partners	18.4	13.9	17.2	18.5	14.0	12.7	16.5	21.9	8.0	10.0
Elliott Associates - Elliott Associates, L.P.	12.1	-7.0	18.1	24.3	8.3	6.6	14.2	13.2	12.7	17.1
Epsilon Investment Mgmt - Epsilon Global Active Value Fund, L.P.	---	---	---	10.1	7.4	8.1	9.7	6.4	2.7	6.1
Eton Park Capital Management - Eton Park Fund, L.P.	---	---	---	---	---	---	---	---	13.2	13.7
Everest Capital - Everest Capital Global	26.1	-45.1	61.0	-10.0	-23.4	-9.3	112.7	15.7	40.5	9.9
Fairfield Greenwich Group - Greenwich Sentry, L.P.	16.2	13.5	14.4	11.5	10.4	8.4	7.3	6.5	7.3	9.5
Farallon Capital Mgmt - Farallon Capital Institutional Partners, L.P.	18.5	9.5	12.6	11.3	9.8	6.3	21.2	12.4	10.6	18.1
Farallon Capital Mgmt - Farallon Capital Partners, L.P.	19.7	10.9	16.6	15.7	6.2	5.0	20.8	16.5	13.3	19.8
Fir Tree Partners - Fir Tree Value Master Fund, L.P.	39.9	16.8	2.8	-11.4	15.0	10.4	21.6	11.7	5.7	14.6
Fletcher Asset Management, Inc. - The Fletcher Fund, L.P.	28.4	25.3	25.5	6.1	1.3	-8.9	8.6	-13.7	17.6	-8.5
Maximum	43.1	25.3	67.3	43.7	39.3	43.7	112.7	31.7	40.5	188.7
Median	18.4	7.0	16.5	18.4	9.4	5.1	13.9	9.3	7.3	13.8
Minimum	9.3	-45.1	2.8	-11.4	-23.4	-18.2	0.6	-13.7	-17.0	-12.1
Number of Funds	33	42	49	56	60	65	69	73	81	87
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 39 (continued)

REPRESENTATIVE MULTI-STRATEGY FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Multi-Strategy Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Angelo, Gordon & Co., L.P. - AG Long-Term Super Fund, L.P.	9.9	9.6	10.1	9.7	10.2	10.3	15.6	20.0	26.6	32.0
Angelo, Gordon & Co., L.P. - AG Super Fund, L.P.	14.2	13.8	14.1	13.5	14.0	15.0	19.2	13.1	14.0	14.3
Arnhold and S. Bleichroeder Advisers, LLC - Iolaire Partners	8.3	6.9	6.6	5.9	4.7	5.8	7.4	9.1	11.6	15.0
Avenue Capital Group - Avenue Event Driven, L.P.	---	---	---	---	---	---	---	---	3.8	0.4
Basso Capital Management, L.P. - Basso Multi-Strategy Fund, Ltd.	---	---	---	---	---	---	---	12.8	17.0	26.0
BlackRock, Inc. - The Obsidian Fund LLC	---	7.8	7.4	6.3	3.4	2.2	4.8	3.5	0.3	-2.0
Boldwater Capital Mgmt - Boldwater Capital Partners Fund, L.P.	---	---	---	---	---	---	---	---	---	6.9
Brencourt Advisors, LLC - Brencourt Multi-Strategy, L.P.	---	---	---	---	---	10.2	12.2	12.2	11.2	13.5
Canyon Capital Advisors LLC - Canyon Value Realization Funds	11.5	10.5	13.8	11.9	13.1	13.3	15.4	12.4	11.3	13.3
Carlson Capital, L.P. - Black Diamond Arbitrage Offshore LDC	---	---	10.1	9.0	6.4	7.1	7.3	7.3	9.5	17.0
Carlson Capital, L.P. - Black Diamond Partners Offshore Ltd.	8.3	7.6	7.9	7.4	5.9	5.6	6.7	7.1	9.2	15.1
Carlson Capital, L.P. - Black Diamond Relative Val. Offshore LDC	---	---	10.6	9.8	7.2	5.5	6.5	6.8	8.8	15.5
Carlson Capital, L.P. - Double Black Diamond Offshore LDC	---	11.5	11.8	11.3	8.9	8.2	9.7	10.3	13.1	21.5
Catalyst Investment Management Co. - Catalyst Master Fund	11.1	10.1	11.8	8.0	6.3	5.6	12.6	9.2	5.9	4.2
Concordia Mgmt Corp. - Concordia I, L.P.	9.1	8.1	8.2	8.5	6.8	6.3	6.6	6.8	8.1	9.2
Cyrus Capital Partners - Cyrus Opportunities Fund II, L.P.	---	---	---	---	11.6	10.3	15.7	8.4	7.3	12.3
D.B. Zwirn & Co., L.P. - D.B. Zwirn Special Opportunities Funds	---	---	---	---	---	---	15.7	15.6	15.6	17.7
D.E. Shaw & Company, LLC - D.E. Shaw Composite Portfolios	---	---	---	---	---	18.5	16.8	17.5	17.6	17.3
Davidson Kempner Cap. Mgmt LLC - Davidson Kempner Int'l Ltd	10.4	10.4	11.3	10.6	9.3	9.8	11.7	11.3	12.9	17.3
Deephaven Cap. Mgmt - Deephaven Market Neutral Fund LLC	---	---	14.6	13.7	10.7	10.6	11.3	10.4	12.6	19.4
DKR Mgmt Co. Inc. - Int'l Relative Value Fund, Ltd. - Class A	9.4	9.1	9.9	9.7	8.3	7.1	6.7	5.6	5.2	9.1
DKR Mgmt Co. Inc. - Int'l Relative Value Fund, Ltd. - Class Plus B	---	---	---	8.5	7.4	7.1	6.4	4.6	4.2	8.1
EBF & Associates - Merced Partners	15.0	14.7	14.8	14.4	13.8	13.7	14.0	13.1	9.0	10.0
Elliott Associates - Elliott Associates, L.P.	11.7	11.6	14.2	13.6	12.0	12.7	14.3	14.3	14.9	17.1
Epsilon Investment Mgmt - Epsilon Global Active Value Fund, L.P.	---	---	---	7.2	6.7	6.6	6.2	5.0	4.4	6.1
Eton Park Capital Management - Eton Park Fund, L.P.	---	---	---	---	---	---	---	---	13.4	13.7
Everest Capital - Everest Capital Global	10.2	8.6	18.3	13.2	17.6	28.1	39.6	21.3	24.3	9.9
Fairfield Greenwich Group - Greenwich Sentry, L.P.	10.4	9.8	9.4	8.7	8.2	7.8	7.6	7.7	8.4	9.5
Farallon Capital Mgmt - Farallon Capital Institutional Partners, L.P.	12.9	12.3	12.7	12.7	12.9	13.6	15.5	13.6	14.3	18.1
Farallon Capital Mgmt - Farallon Capital Partners, L.P.	14.3	13.7	14.1	13.7	13.4	14.9	17.6	16.5	16.5	19.8
Fir Tree Partners - Fir Tree Value Master Fund, L.P.	12.0	9.3	8.4	9.2	13.1	12.7	13.2	10.6	10.0	14.6
Fletcher Asset Management, Inc. - The Fletcher Fund, L.P.	7.1	5.0	2.7	-0.2	-1.2	-1.7	0.2	-2.4	3.8	-8.5
Maximum	21.6	19.4	21.2	16.3	17.6	28.1	39.6	22.7	26.6	188.7
Median	10.4	10.0	11.8	10.1	9.1	9.2	11.5	10.4	10.2	13.8
Minimum	5.3	3.2	2.7	-0.2	-2.6	-3.7	-5.5	-9.0	-14.5	-12.1
Number of Funds	33	42	49	56	60	65	69	73	81	87
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 39 (continued)

REPRESENTATIVE MULTI-STRATEGY FUNDS

Annual Returns (%)

Multi-Strategy Funds	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Fletcher Asset Mgmt - The Fletcher Income Arbitrage Fund, Ltd.	---	11.7	12.1	9.7	9.6	3.9	5.4	4.8	5.3	7.4
Glenview Capital GP, LLC - Little Arbor Funds	---	---	---	---	---	---	---	---	10.1	5.1
Graham Capital Management, L.P. - Graham K4 Program	---	---	10.4	23.7	39.3	43.7	21.6	-0.4	-17.0	6.6
Graham Capital Mgmt, L.P. - Graham Proprietary Matrix Portfolio	---	---	---	16.3	6.8	28.1	11.6	-0.3	-4.0	7.6
Gross Asset Management, L.P. - Gross Global Investors, L.P.	---	---	---	---	---	---	---	13.8	1.8	19.0
Halcyon Asset Management LLC - Halcyon Fund, L.P.	13.2	15.5	16.0	11.4	2.9	-1.8	21.6	9.2	4.6	12.6
Hammerman Capital Management LLC - Hammerman Capital, L.P.	---	---	---	---	---	7.9	36.5	7.2	1.1	12.2
Harvest Management, LLC - Harvest Capital, L.P.	22.3	-8.1	18.8	16.5	4.1	0.0	10.1	9.3	5.4	11.7
HBK Investments - HBK Fund, L.P.	16.9	3.9	24.6	26.7	10.0	5.5	10.8	11.5	8.2	13.9
Highbridge Capital Management - Highbridge Capital Corporation	19.7	6.0	32.4	27.3	12.0	8.2	10.6	7.5	5.1	22.5
Horizon Asset L.P. - Horizon Portfolio Limited	---	---	---	---	3.4	1.2	7.5	-0.6	19.0	5.7
III Associates / III Offshore Advisors - III Fund, L.P.	11.4	-9.2	8.4	19.3	8.4	9.0	18.8	9.0	2.3	6.2
K Capital Partners, LLC - K Capital II, L.P. (n)	---	---	---	33.7	3.2	3.6	6.1	3.0	-16.8	-12.1
K Capital Partners, LLC - K Capital Structure Arb Offshore, L.P.	---	---	---	---	---	---	17.0	20.9	19.4	2.0
Kellner DiLeo & Company - KDC Multi-Strategy Fund, L.P.	---	---	---	---	---	2.3	11.1	3.5	1.4	8.9
King Street Advisors, LLC - King Street Capital, L.P.	17.0	7.2	17.5	14.7	16.5	5.2	24.7	10.5	10.4	17.4
Latigo Partners - Latigo Master Fund, Ltd.	---	---	---	---	---	---	---	---	---	14.2
Lynx Arbitrage Limited - Lynx Arbitrage Fund Limited	---	---	---	---	---	---	---	---	2.8	8.7
Magnetar Financial LLC - Magnetar Capital Fund, Ltd.	---	---	---	---	---	---	---	---	---	7.0
Mariner Investment Group, Inc. - Caspian Capital Partners, L.P.	---	20.0	22.1	22.4	13.2	8.6	14.7	10.8	8.1	12.6
Mariner Investment Group, Inc. - Mariner Partners, L.P.	10.9	-0.7	16.4	15.2	11.3	8.2	9.1	4.5	5.7	11.7
Mason Capital Management, LLC - Mason Capital, L.P.	---	---	---	---	15.7	19.6	7.9	11.4	10.6	15.4
Metropolitan Capital Advisors, Inc. - Bedford Falls Investors, L.P.	22.6	-21.6	35.6	26.5	6.1	-9.7	19.5	7.0	10.8	13.1
Millennium Management - Millennium International, Ltd.	---	15.9	32.4	36.0	15.5	9.7	11.0	14.9	11.5	16.7
Millennium Management - Millennium USA, L.P.	26.5	17.2	33.3	36.2	15.4	8.9	11.1	16.3	11.4	17.0
OZ Advisors - OZ Asia Master Fund, Ltd.	---	---	---	---	---	6.7	17.3	14.6	14.2	14.0
OZ Advisors - OZ Europe Master Feeder Funds	---	---	---	38.8	4.2	0.8	15.9	9.3	15.7	23.4
OZ Advisors - OZ Master Feeder Funds	---	11.2	18.8	20.6	6.3	-1.6	24.0	11.2	8.8	15.9
Para Advisors, Inc. - Para Partners, L.P.	25.1	6.8	15.6	10.3	2.3	-4.5	26.8	9.8	3.9	11.4
Paulson & Company - Paulson Event Arbitrage Funds	---	---	---	---	---	---	---	---	0.1	12.6
Perry Partners - Perry Partners, L.P.	28.5	8.6	16.2	21.2	13.7	5.4	22.7	21.2	5.0	11.9
RAB Capital Limited - RAB Cross Europe Fund	---	---	17.4	19.8	5.0	0.3	0.6	17.4	6.7	14.5
Maximum	43.1	25.3	67.3	43.7	39.3	43.7	112.7	31.7	40.5	188.7
Median	18.4	7.0	16.5	18.4	9.4	5.1	13.9	9.3	7.3	13.8
Minimum	9.3	-45.1	2.8	-11.4	-23.4	-18.2	0.6	-13.7	-17.0	-12.1
Number of Funds	33	42	49	56	60	65	69	73	81	87
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 39 (continued)

REPRESENTATIVE MULTI-STRATEGY FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Multi-Strategy Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Fletcher Asset Mgmt - The Fletcher Income Arbitrage Fund, Ltd.	---	7.7	7.2	6.6	6.1	5.4	5.7	5.8	6.4	7.4
Glenview Capital GP, LLC - Little Arbor Funds	---	---	---	---	---	---	---	---	7.6	5.1
Graham Capital Management, L.P. - Graham K4 Program	---	---	14.4	15.0	13.6	9.0	1.8	-4.1	-5.9	6.6
Graham Capital Mgmt, L.P. - Graham Proprietary Matrix Portfolio	---	---	---	9.0	7.8	8.0	3.5	1.0	1.6	7.6
Gross Asset Management, L.P. - Gross Global Investors, L.P.	---	---	---	---	---	---	---	11.3	10.1	19.0
Halcyon Asset Management LLC - Halcyon Fund, L.P.	10.3	10.0	9.3	8.4	7.9	9.0	11.8	8.7	8.5	12.6
Hammerman Capital Management LLC - Hammerman Capital, L.P.	---	---	---	---	---	12.4	13.5	6.7	6.5	12.2
Harvest Management, LLC - Harvest Capital, L.P.	8.6	7.2	9.3	8.0	6.7	7.2	9.1	8.7	8.5	11.7
HBK Investments - HBK Fund, L.P.	13.0	12.5	13.7	12.2	9.9	9.9	11.1	11.2	11.0	13.9
Highbridge Capital Management - Highbridge Capital Corporation	14.8	14.2	15.3	13.1	10.8	10.6	11.2	11.4	13.5	22.5
Horizon Asset L.P. - Horizon Portfolio Limited	---	---	---	---	5.9	6.4	7.7	7.7	12.2	5.7
III Associates / III Offshore Advisors - III Fund, L.P.	8.1	7.7	10.0	10.3	8.8	8.9	8.9	5.8	4.2	6.2
K Capital Partners, LLC - K Capital II, L.P. (n)	---	---	---	1.9	-2.6	-3.7	-5.5	-9.0	-14.5	-12.1
K Capital Partners, LLC - K Capital Structure Arb Offshore, L.P.	---	---	---	---	---	---	14.6	13.8	10.3	2.0
Kellner DiLeo & Company - KDC Multi-Strategy Fund, L.P.	---	---	---	---	---	5.4	6.2	4.6	5.1	8.9
King Street Advisors, LLC - King Street Capital, L.P.	14.0	13.6	14.5	14.1	13.9	13.4	15.6	12.7	13.9	17.4
Latigo Partners - Latigo Master Fund, Ltd.	---	---	---	---	---	---	---	---	---	14.2
Lynx Arbitrage Limited - Lynx Arbitrage Fund Limited	---	---	---	---	---	---	---	---	5.7	8.7
Magnetar Financial LLC - Magnetar Capital Fund, Ltd.	---	---	---	---	---	---	---	---	---	7.0
Mariner Investment Group, Inc. - Caspian Capital Partners, L.P.	---	14.6	13.9	12.8	11.3	10.9	11.5	10.5	10.3	12.6
Mariner Investment Group, Inc. - Mariner Partners, L.P.	9.1	8.9	10.2	9.3	8.4	7.8	7.7	7.3	8.7	11.7
Mason Capital Management, LLC - Mason Capital, L.P.	---	---	---	---	13.3	12.9	11.3	12.4	13.0	15.4
Metropolitan Capital Advisors, Inc. - Bedford Falls Investors, L.P.	9.7	8.4	12.9	9.9	7.4	7.7	12.5	10.3	12.0	13.1
Millennium Management - Millennium International, Ltd.	---	17.9	18.1	16.2	13.2	12.7	13.5	14.3	14.1	16.7
Millennium Management - Millennium USA, L.P.	19.0	18.2	18.3	16.3	13.3	12.9	13.9	14.9	14.1	17.0
OZ Advisors - OZ Asia Master Fund, Ltd.	---	---	---	---	---	13.3	15.0	14.3	14.1	14.0
OZ Advisors - OZ Europe Master Feeder Funds	---	---	---	14.9	11.3	12.8	16.0	16.0	19.5	23.4
OZ Advisors - OZ Master Feeder Funds	---	12.5	12.7	11.9	10.5	11.3	14.8	11.9	12.3	15.9
Para Advisors, Inc. - Para Partners, L.P.	10.4	8.8	9.1	8.2	7.8	9.0	12.7	8.3	7.6	11.4
Paulson & Company - Paulson Event Arbitrage Funds	---	---	---	---	---	---	---	---	6.2	12.6
Perry Partners - Perry Partners, L.P.	15.2	13.8	14.5	14.2	13.1	13.0	15.0	12.5	8.4	11.9
RAB Capital Limited - RAB Cross Europe Fund	---	---	10.0	8.9	7.2	7.7	9.6	12.8	10.5	14.5
Maximum	21.6	19.4	21.2	16.3	17.6	28.1	39.6	22.7	26.6	188.7
Median	10.4	10.0	11.8	10.1	9.1	9.2	11.5	10.4	10.2	13.8
Minimum	5.3	3.2	2.7	-0.2	-2.6	-3.7	-5.5	-9.0	-14.5	-12.1
Number of Funds	33	42	49	56	60	65	69	73	81	87
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 39 (continued)

REPRESENTATIVE MULTI-STRATEGY FUNDS

Annual Returns (%)

Multi-Strategy Funds	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Ramius Capital Group, LLC - Ramius Partners, L.P.	---	4.4	11.0	14.4	11.1	10.2	10.0	4.6	4.7	13.6
Redbrick Capital Mgmt, L.P. - Redbrick Capital Master Fund, Ltd.	---	---	---	---	---	---	---	---	5.0	15.3
Regiment Capital Management, LLC - Regiment Capital, Ltd.	---	---	---	---	9.2	6.4	12.8	6.5	5.5	9.3
SAB Capital Advisors, LLC - SAB Capital Partners, L.P.	---	---	36.4	43.7	20.3	5.4	9.9	11.3	9.7	8.5
Sandell Asset Management - Castlerigg International	---	21.4	14.5	27.3	8.6	-1.2	25.3	11.7	7.4	21.3
Sandelman Partners - Sandelman Partners Multi-Strat Master Fund	---	---	---	---	---	---	---	---	---	17.8
Satellite Asset Management, L.P. - Satellite Fund II, L.P.	---	---	---	19.8	8.3	0.9	22.9	8.6	4.9	17.7
Sattva Inv. Mgmt Co. Ltd. - Sattva Asia Opportunities Master Fund	---	---	---	---	---	---	---	4.9	13.6	26.7
Silverado Capital Mgmt, LLC - Silverado Arbitrage Partners, L.P.	---	1.5	10.5	1.4	-5.2	0.8	3.3	1.0	5.1	11.6
SISU Capital - SISU Capital Fund, L.P.	---	---	13.0	11.2	2.7	-7.1	33.9	17.3	33.2	18.4
Sowood Capital Management L.P. - Sowood Alpha Funds	---	---	---	---	---	---	---	---	7.5	16.9
Stark Investments - Stark Investments, L.P.	19.4	-7.9	25.9	28.8	12.8	5.2	16.4	9.2	6.7	13.3
Taconic Capital Partners LLC - Taconic 1.5 Event Driven Funds	---	---	---	---	---	---	15.5	18.9	11.3	17.9
Taconic Capital Partners LLC - Taconic Event Driven Funds	---	---	---	16.7	2.3	5.1	9.9	11.0	7.3	13.2
Taconic Capital Partners LLC - Taconic Opportunity Funds	---	---	---	---	---	---	---	---	12.5	19.0
Tennenbaum Capital Partners - Tennenbaum Multi-Strategy Fund	---	---	---	---	---	---	---	---	---	17.4
TQA Investors - TQA Leverage Fund, L.P.	18.2	6.6	13.8	7.9	16.2	10.5	13.9	0.4	-8.8	14.1
Vision Opportunity Cap. Mgmt - Vision Opportunity Master Fund	---	---	---	---	---	---	---	---	---	188.7
Watershed Asset Mgmt, LLC - Watershed Cap. Inst. Partners, L.P.	---	---	---	---	---	---	19.7	8.3	7.4	15.2
WG Trading Company - WG Trading Company, L.P. (n)	9.3	8.2	7.8	8.1	5.8	2.3	1.5	1.7	3.6	5.4
York Capital Management - York Capital Management, L.P.	30.5	5.0	26.3	13.8	5.0	-7.1	33.3	19.8	6.7	13.8
York Capital Management - York European Opportunities Fund	---	---	---	---	---	---	---	26.9	15.8	14.4
York Capital Management - York Select, L.P.	43.1	5.7	67.3	19.0	11.0	-6.4	37.5	31.7	5.4	18.2
Maximum	43.1	25.3	67.3	43.7	39.3	43.7	112.7	31.7	40.5	188.7
Median	18.4	7.0	16.5	18.4	9.4	5.1	13.9	9.3	7.3	13.8
Minimum	9.3	-45.1	2.8	-11.4	-23.4	-18.2	0.6	-13.7	-17.0	-12.1
Number of Funds	33	42	49	56	60	65	69	73	81	87
S&P 500	33.4	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8
91-Day Treasury Bills	5.3	5.2	4.8	6.2	4.4	1.8	1.2	1.3	3.1	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.

Exhibit 39 (continued)

REPRESENTATIVE MULTI-STRATEGY FUNDS

Average Annual Compound Returns (%)
Periods Ended December 31, 2006

Multi-Strategy Funds	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
Ramius Capital Group, LLC - Ramius Partners, L.P.	---	9.3	9.9	9.7	9.0	8.5	8.1	7.5	9.0	13.6
Redbrick Capital Mgmt, L.P. - Redbrick Capital Master Fund, Ltd.	---	---	---	---	---	---	---	---	10.0	15.3
Regiment Capital Management, LLC - Regiment Capital, Ltd.	---	---	---	---	8.3	8.1	8.5	7.1	7.4	9.3
SAB Capital Advisors, LLC - SAB Capital Partners, L.P.	---	---	17.4	14.9	10.7	8.9	9.8	9.8	9.1	8.5
Sandell Asset Management - Castlerigg International	---	14.8	14.0	13.9	11.8	12.5	16.2	13.3	14.1	21.3
Sandelman Partners - Sandelman Partners Multi-Strat Master Fund	---	---	---	---	---	---	---	---	---	17.8
Satellite Asset Management, L.P. - Satellite Fund II, L.P.	---	---	---	11.63	10.32	10.73	13.33	10.3	11.15	17.74
Sattva Inv. Mgmt Co. Ltd. - Sattva Asia Opportunities Master Fund	---	---	---	---	---	---	---	14.7	20.0	26.7
Silverado Capital Mgmt, LLC - Silverado Arbitrage Partners, L.P.	---	3.2	3.4	2.5	2.6	4.3	5.2	5.8	8.3	11.6
SISU Capital - SISU Capital Fund, L.P.	---	---	14.6	14.8	15.4	18.1	25.4	22.7	25.6	18.4
Sowood Capital Management L.P. - Sowood Alpha Funds	---	---	---	---	---	---	---	---	12.1	16.9
Stark Investments - Stark Investments, L.P.	12.5	11.8	14.5	13.0	10.5	10.1	11.3	9.7	10.0	13.3
Taconic Capital Partners LLC - Taconic 1.5 Event Driven Funds	---	---	---	---	---	---	15.8	16.0	14.5	17.9
Taconic Capital Partners LLC - Taconic Event Driven Funds	---	---	---	9.2	8.0	9.2	10.3	10.4	10.2	13.2
Taconic Capital Partners LLC - Taconic Opportunity Funds	---	---	---	---	---	---	---	---	15.7	19.0
Tennenbaum Capital Partners - Tennenbaum Multi-Strategy Fund	---	---	---	---	---	---	---	---	---	17.4
TQA Investors - TQA Leverage Fund, L.P.	9.0	8.0	8.2	7.4	7.3	5.6	4.4	1.5	2.0	14.1
Vision Opportunity Cap. Mgmt - Vision Opportunity Master Fund	---	---	---	---	---	---	---	---	---	188.7
Watershed Asset Mgmt, LLC - Watershed Cap. Inst. Partners, L.P.	---	---	---	---	---	---	12.5	10.3	11.2	15.2
WG Trading Company - WG Trading Company, L.P. (n)	5.3	4.9	4.5	4.0	3.4	2.9	3.0	3.5	4.5	5.4
York Capital Management - York Capital Management, L.P.	14.1	12.4	13.3	11.6	11.2	12.5	18.0	13.3	10.2	13.8
York Capital Management - York European Opportunities Fund	---	---	---	---	---	---	---	18.9	15.1	14.4
York Capital Management - York Select, L.P.	21.6	19.4	21.2	15.8	15.3	16.1	22.6	18.0	11.6	18.2
Maximum	21.6	19.4	21.2	16.3	17.6	28.1	39.6	22.7	26.6	188.7
Median	10.4	10.0	11.8	10.1	9.1	9.2	11.5	10.4	10.2	13.8
Minimum	5.3	3.2	2.7	-0.2	-2.6	-3.7	-5.5	-9.0	-14.5	-12.1
Number of Funds	33	42	49	56	60	65	69	73	81	87
S&P 500	8.4	6.0	3.4	1.1	2.9	6.2	14.7	10.4	10.2	15.8
91-Day Treasury Bills	3.8	3.6	3.4	3.2	2.8	2.4	2.6	3.1	4.0	4.9

Notes: Performance is net of all fees. Performance for partial years has been omitted. Where appropriate, performance from a predecessor fund or a composite with a similar strategy has been linked to the product returns.

(n) Returns were reported by the manager gross of fees. Net performance has been estimated by applying the manager's stated fee structure to the reported returns.