

# HFA International Shares Fund

ARSN 093 497 600

31 October 2011

**CERTITUDE**  
GLOBAL INVESTMENTS



The HFA International Shares Fund invests into the Lighthouse Partners Global Long Short Fund Limited (Underlying Fund), which has exposure to approximately 30 specialist investment managers, with each manager focusing on equity investments and concentrating on a market sector where they are based and have expertise. The Underlying Fund is designed to provide investors with a diversified investment in an international shares absolute return fund.

## Portfolio update

The HFA International Shares Fund Hedged Wholesale class returned 1.78% for October 2011. As a reference, the MSCI World Ex Australia (USD) returned 10.12% for the month.

## Key Points

- Global equity markets rebounded from October 4 lows, largely driven first by rumours and later by more concrete plans to address the European sovereign crisis.
- In the U.S., corporate earnings were mostly positive, and economic statistics suggested slow U.S. growth rather than recession.
- The top performing managers generally benefitted from running higher net-market exposure or mean reversion in oversold long positions.
- A technology specialist, a healthcare specialist and a real estate specialist were the top performers.
- Conservative positioning, which had served certain managers well in August and September, was the main cause of negative performance for detracting managers, particularly a U.S. generalist and a European specialist.
- Two managers were added, including a European trading manager and a healthcare specialist.
- As markets rebounded, the China slowdown looked more controlled and U.S. earnings were generally positive, managers increased overall exposure in October. However, managers remain cautious about the situation in Europe with political twists and turns contributing to a continuation of the volatile environment.

## Portfolio facts & fees <sup>1</sup>

	Wholesale	Retail
APIR code	HFL0108AU	HFL0106AU
Unit price	\$1.180735	\$1.155168
Management costs	1.54% p.a.	1.80% p.a.
Performance fee	10.25% subject to HWM	
Buy/Sell spread	Nil	

Inception date	31 March 2001
Portfolio value (\$M)	\$110.21
No. of underlying managers	29
Income distribution	Annual, 30 June
Liquidity	Monthly (30/30)

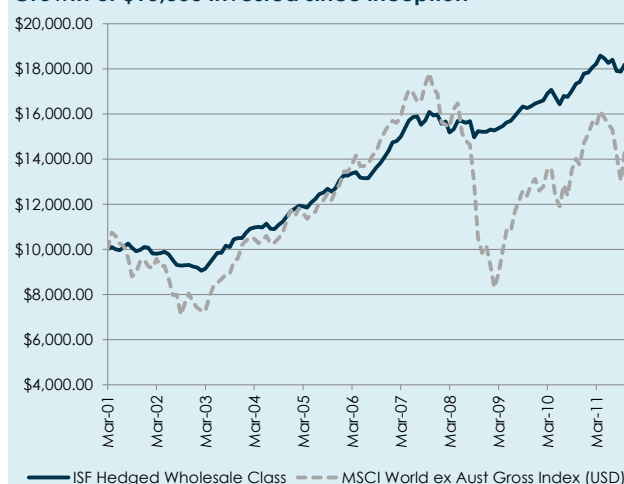
## Performance <sup>2</sup>

	Hedged		MSCI World Ex Australia (USD) %
	Wholesale %	Retail %	
1 month	1.78	1.74	10.12
3 months	-1.12	-1.21	-6.25
6 months	-2.11	-2.27	-11.03
12 months	4.94	4.67	2.24
2 years p.a.	5.77	5.52	7.66
3 years p.a.	6.09	5.50	10.95
5 years p.a.	5.65	5.12	-0.68
7 years p.a.	7.15	6.68	4.22
10 years p.a.	6.25	5.89	4.82
Since inception p.a.	5.81	5.77	3.46
Volatility %p.a.	4.95	4.98	16.87
Positive months	66.93	(85)	
Negative months	33.07	(42)	
<b>Total</b>	<b>100.00</b>		

Past performance is not a reliable indicator of future performance.

Source: Certitude Global Investments Limited, Morningstar.

## Growth of \$10,000 invested since inception <sup>2</sup>



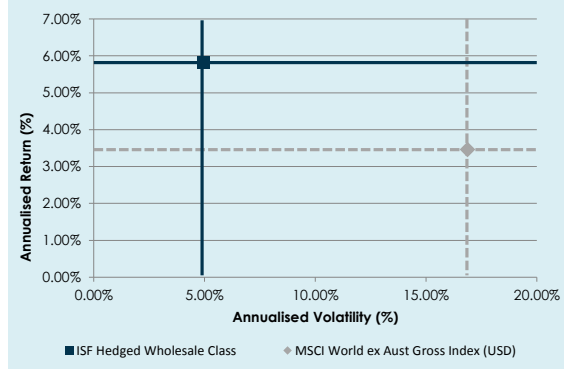
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Source: Certitude Global Investments Limited, Morningstar.

### Portfolio exposure snapshot <sup>3</sup>

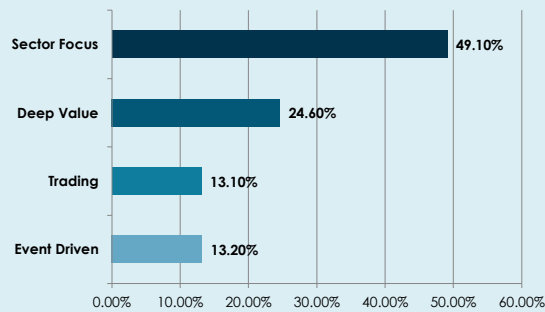
GICS Sector	Long %	Short %	Net %
Consumer Discretionary	19.2	-13.5	5.7
Consumer Staples	7.8	-5.5	2.3
Energy	15.9	-14.5	1.4
Financials	24.3	-19.8	4.5
Health Care	16.1	-8.8	7.3
Industrials	13.0	-14.7	-1.7
Information Technology	16.2	-10.6	5.6
Materials	7.5	-7.7	-0.2
Telecommunication Services	1.6	-1.9	-0.3
Utilities	1.8	-2.0	-0.2
<b>Total</b>	<b>123.5</b>	<b>-99.1</b>	<b>24.4</b>
Long Positions	1,454		
Short Positions		1,297	
<b>Total</b>	<b>2,751</b>		

### Risk vs. return <sup>4</sup>

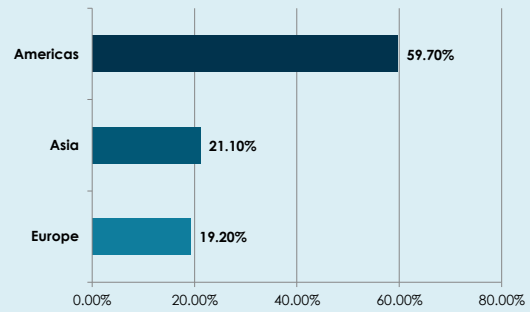


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Source: Certitude Global Investments Limited, Morningstar.

### Strategy allocation <sup>5</sup>



### Geographic allocation <sup>5</sup>



### Fund ratings



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### Further information

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### Disclaimers

- Total management costs include 1.28% p.a. management fee for wholesale units or 1.54% p.a. management fee for retail units, 0.12% p.a. administrative fee and 0.14% p.a. administration costs of the LHP Fund in which the Fund invests. Costs incurred by the 0.14% p.a. LHP Fund administration costs are reflected in the price of units in the LHP Fund.  
The Performance Fee is 10.25% of the increase in the Net Asset Value of each class of Units from month to month subject to a High Water Mark Limitation. The Performance Fee is reflected in the monthly unit prices, and is paid semi-annually as incurred.  
Income is distributed annually for the period ending 30 June each year where income is available.
- ISF returns to 31 October 2011 assume distributions are reinvested and are net of all fees.  
The MSCI World Ex Australia Gross USD is provided as a reference only.
- Exposures are based on position level data of the underlying fund.
- Volatility is calculated as the annualised standard deviation of returns since ISF's inception.
- Allocations are for the underlying fund, are current as at the date of this report and are not necessarily indicative of future strategy allocations.  
Allocations do not include cash holdings.

Further details of ISF can be found on the website at [www.certitudeglobal.com.au](http://www.certitudeglobal.com.au).

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