

The Hedgebay Chronicle

Vol IV...No 5

June 4th, 2007

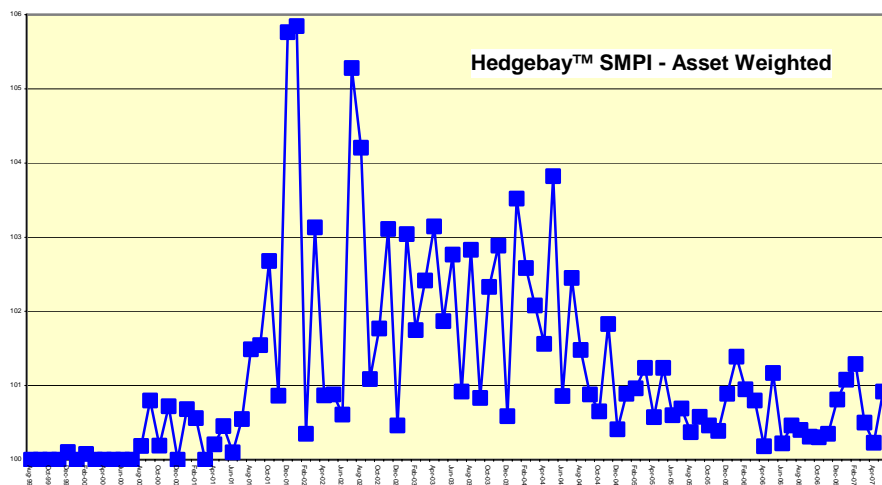
Secondary Market Activity Summary – May 2007

May witnessed continued enthusiasm and market confidence from investors as 60% of trades took place above NAV, the highest level for the year and a stark contrast to a month earlier when 70% of trades took place at a discount to NAV. All strategies traded with Global Macro attaining the highest premium levels.

Average premium levels this year, so far, are the same as for last year, hovering just below 1%. The frequency of transactions taking place at a premium have also held steady at 40% of the time. What has changed is the frequency of trades that take place at NAV and at a discount to NAV. For 2006, the frequency was approximately 20% and 40% of the time respectively. For 2007, the frequency has been almost cut in half for the NAV trades at just under 12% with the difference going to discounted transactions, which have reached their highest levels ever at 49%.

Year to date volumes are a little over 25% ahead of the volume levels for the same period last year with the number of different funds traded continuing to rise and with no single fund representing more than 10% of historical traded volume.

Secondary Market Liquidity Indices



Premium Index Values (SMPI)

Composite Index	100.92
Relative Value	100.50
Security Selection	100.81
Directional Trading	101.50

Discount Index Values (SMDI)

Composite	70.08
< 3 Months	n/a
3 to 6 Months	99.90
6 to 12 Months	n/a
12 to 24 Months	n/a
None and/or Distressed	5.77

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The Hedgebay Secondary Market Premium Index (SMPI) is a proprietary, asset-weighted index that describes the average premium paid for hedge funds that trade in the secondary market in any given month. An investor may wish to use the index as a sentiment indicator to describe hedge fund investors' future expectations for performance as well as a benchmarking tool for hedge fund investors to assess latent value in their portfolios.

The Hedgebay Secondary Market Discount Index (SMDI) is a proprietary, asset-weighted index that describes the average discount required to liquidate hedge funds in the secondary market in any given month. An investor may wish to use the index and sub-indices as indicators of the cost of liquidity.

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