

Hedgebay

GLOBAL HEDGE FUND SECONDARY MARKET INDEX

Edition 03 | November 2009

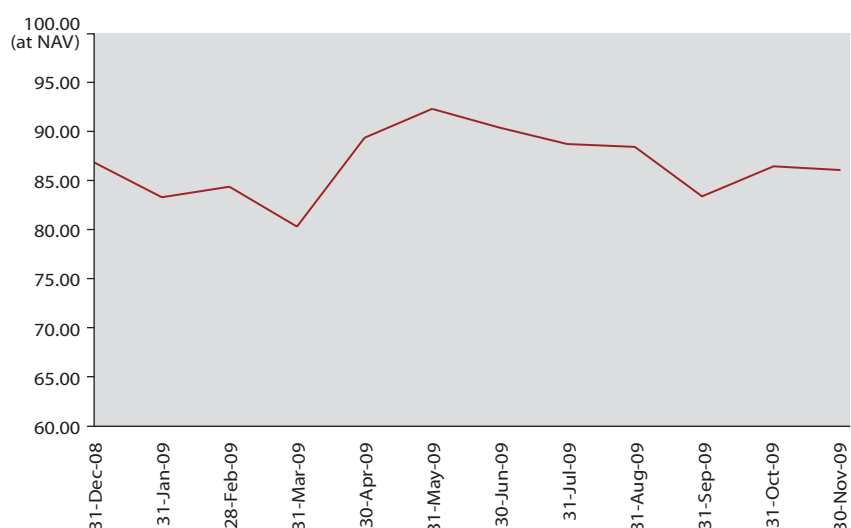
► Continuation of High Dispersion in Transaction Prices

November's action closely paralleled that of October with a very large dispersion in transaction prices. The highest price clearing was 97 and the lowest was 29 - an 8 point widening from October. The Index softened by about 60 basis points, but generally speaking held steady at roughly 84 for the average fund that hadn't suspended redemption rights. Volume was moderate during the month.

The continuation of extremely high dispersion in transaction prices gives further support to our comments of last month that a two-tiered or barbell-shaped market has developed. It is highly likely that this market continues for some time given the vast number of illiquid assets still lurking on investor's balance sheets. Coming into year end, the only question left unresolved is: Will investors look to clean up their balance sheets entirely or will they try to protect this year's modest gains and avoid taking any losses by cutting unwanted positions. As a result, for 2010 a key topic for investors to resolve is the reduction of non or under-performing, illiquid assets as they drag down overall performance and hamper their competitiveness in the marketplace.

ALL FIGURES BELOW ARE RELATIVE TO A TRADE AT NAV EQUALLING 100%

► Average discount or premium (to NAV) 12 last months



► Average price of trades

Date	Average discount to NAV	Monthly % change
30-Nov-09	86.10%	-0.72%
30-Oct-09	86.73%	4.41%
30-Sep-09	82.90%	-6.22%
31-Aug-09	88.40%	-0.33%
31-Jul-09	88.69%	-1.84%
30-Jun-09	90.35%	-2.07%
31-May-09	92.26%	3.28%
30-Apr-09	89.33%	11.23%
31-Mar-09	80.31%	-4.80%
28-Feb-09	84.36%	1.28%
31-Jan-09	83.29%	-4.07%
31-Dec-08	86.82%	-0.77%

► Top traded strategy

Date	1st	2nd
Nov-09	Credit	Relative value

► Highest & lowest trades (relative to NAV)

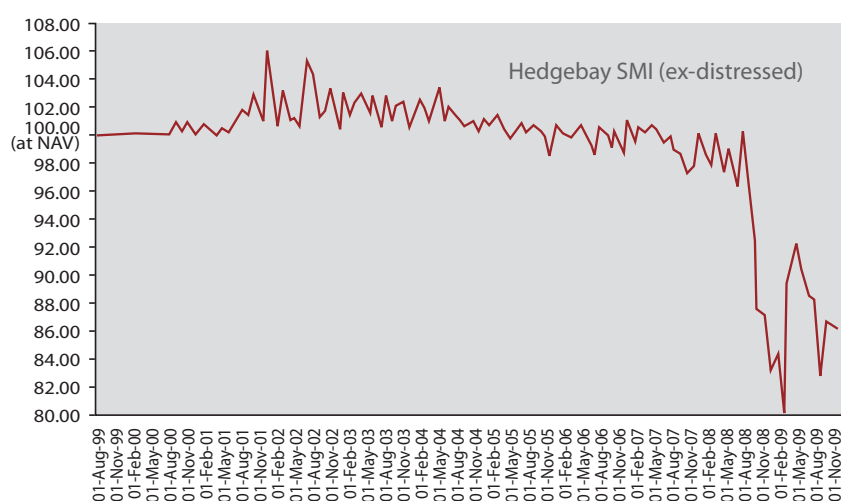
Date	Highest trade	Lowest trade
Nov-09	97.00%	29.00%

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► Average discount or premium (to NAV) since 1999



► Average price of trades

Date	Average discount to NAV	Annual % change
31-Dec-00	100.00%	N/A
31-Dec-01	105.76%	5.76%
31-Dec-02	100.46%	-5.01%
31-Dec-03	100.59%	0.13%
31-Dec-04	100.20%	-0.39%
31-Dec-05	98.53%	-1.67%
31-Dec-06	98.82%	0.29%
31-Dec-07	97.91%	-0.92%
31-Dec-08	86.82%	-11.33%
30-Nov-09	86.10%	-0.82%

www.hedgebay.com

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