

Hedgebay

GLOBAL HEDGE FUND SECONDARY MARKET INDEX

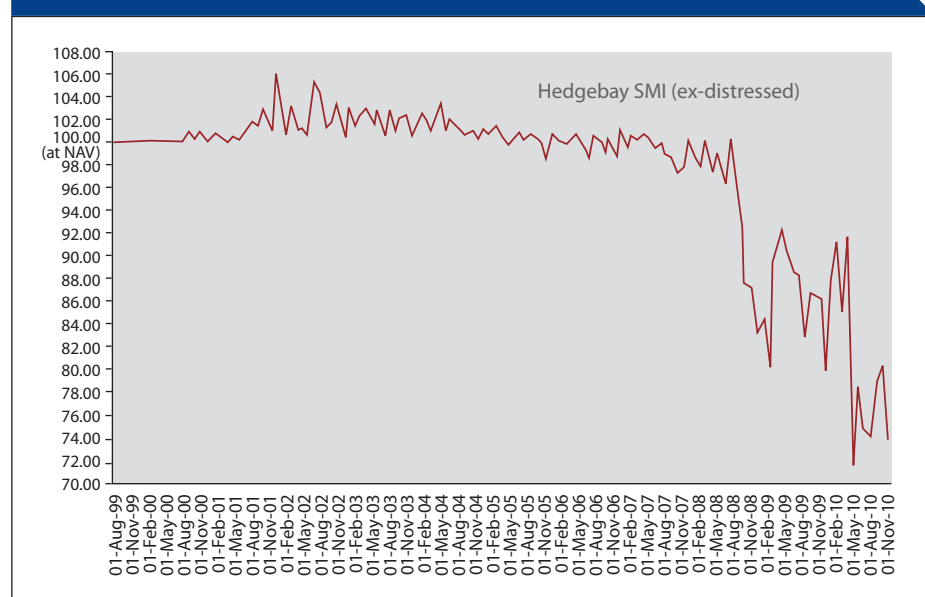
Edition 15 | November 2010

► SMI in November was 74.00

Activity for the month of November was a touch slower than the previous few months. At 74, the index declined somewhat from October's levels. Dispersion contracted to 72 points. The supply of funds that would trade close to par (nav) has been thin to non-existent all year long (despite the fact that a few trades have taken place at that level or higher). During the month there was supply of one large fund that was closed to new investment, however there was categorically no demand for it at par or higher (which is the only place the seller would consider offering). These data points are symptomatic of the overall sentiment in the market right now: lack of long-term confidence in consistent, meaningful returns. It is possible that the recent governmental interventions at several large hedge funds have also put a severe crimp on enthusiasm as investors worry whether their managers are next.

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

► Average discount or premium (to NAV) since 1999



► Average price of trades

Date	Average % of NAV	Monthly % change
30-Nov-10	74.00%	-7.68%
31-Oct-10	80.16%	1.53%
30-Sep-10	78.93%	5.98%
31-Aug-10	74.21%	-1.05%
31-Jul-10	75.00%	-4.26%
30-Jun-10	78.34%	8.11%
31-May-10	71.99%	-21.56%
30-Apr-10	91.78%	7.34%
31-Mar-10	85.04%	-7.02%
28-Feb-10	91.46%	3.86%
31-Jan-10	87.93%	9.27%
31-Dec-09	79.78%	-7.34%

► Top traded strategy

Date	1st	2nd
Nov-10	Private Equity	Credit

► Highest & lowest trades (relative to NAV)

Date	Highest trade	Lowest trade
Nov-10	74.00%	4.00%

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GLOBAL HEDGE FUND ILLIQUID ASSET INDEX

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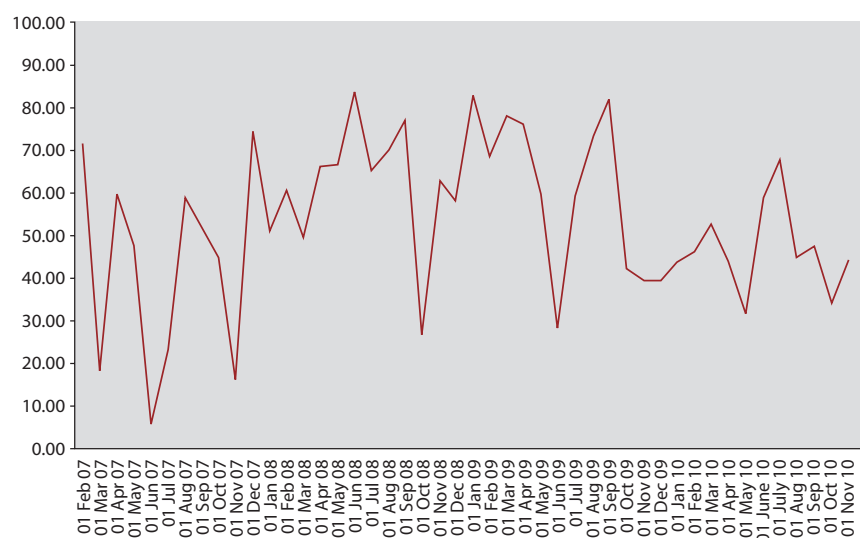
► IAI for November was 44.09

The IAI rose modestly to 44.09. Transactions were widely varied between all of the usual asset classes, especially private equity.

The vast majority of transactions this month fell into the GIA index. Our take is that investors are cleaning up before year end in order to wipe the slate clean 2 years on from the credit crisis. In addition, the expense of ongoing operations has caught up to portfolio size making further life sustaining efforts extremely costly. This trend will likely continue in December, rather than abate, as will the absence of near par trades.

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

► Global Illiquid Assets Index (GIAI)



► GIA

Date	GIA	Monthly % change
Nov-10	44.09	21.75%
Oct-10	34.50	-27.49%
Sep-10	47.58	6.94%
Aug-10	44.28	-34.83%
Jul-10	67.95	12.52%
Jun-10	59.44	46.80%
May-10	31.62	-27.06%
Apr-10	43.35	-16.25%
Mar-10	51.76	10.41%
Feb-10	46.37	7.05%
Jan-10	43.10	10.58%
Dec-09	38.54	-0.13%

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