CrossBorderCapital
Implementing Insight

Pulsar Absolute

A Share Class

March 2012

USD $1087.45 **EUR €792.49** **GBP £ 808.94**

A systematic long-only equity fund that invests globally, allocating across developed countries, sectors, emerging markets and currencies. Its allocation is purely macro and driven by CrossBorder Capital's Liquidity research.

Monthly ROR in %

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YEAR
2005								0.46	5.99	-4.19	4.09	3.52	9.93
2006	4.62	-1.09	1.77	2.58	-3.17	-0.92	-0.53	0.84	0.82	2.57	1.73	2.28	11.87
2007	0.58	-0.50	2.85	2.59	2.26	-0.09	0.13	-0.81	3.62	4.90	-4.71	1.51	12.65
2008	-3.15	1.48	-0.87	3.63	2.25	-7.00	-0.89	-3.03	-12.45	-25.54	-3.13	3.36	-39.78
2009	-4.55	-5.93	10.21	10.03	8.43	-1.17	9.03	2.25	4.90	-1.83	4.33	3.56	44.73
2010	-3.09	-0.12	4.18	-0.16	-6.76	-2.54	4.10	-1.24	3.09	0.47	-0.06	2.68	-0.03
2011	-0.67	2.09	-1.55	0.94	-1.65	-1.18	-0.31	-6.37	-7.98	6.45	-4.54	-0.60	-15.03
2012	5.74	4.10	1.07										11.26

Investment Outlook

Although markets have rallied since the ECB changed policy, World liquidity flows are becoming increasingly divergent. Europe is enjoying a liquidity-led bounce led by policy easing, but credit conditions are becoming tighter in the US and across most Emerging Markets. Latest data also suggest that Japan is effectively tightening liquidity as the post-Tsunami support dissipates. US liquidity is below par. Recent US dollar strength will be underpinned by the palpable passivity of the Fed that has been encouraged by latest signs of US economic stability. Persistent EM foreign outflows are a concern and EM crises have typically been linked to strong dollar periods and times when global funding is under strain. These EM problems may well be a hang-over from last year's Euro Crisis. The exodus of many Eurozone banks from cross-border lending and the pulling of their credit lines are resulting in significant outflows from EM. These problems could drag on. The ECB has patched near-term banking system illiquidity, but uncertainties remain in the quality of bank's assets, in Eurozone fiscal deficits and in the ability to introduce structural reforms to the European economy. Overall, Global Liquidity is still holding up, but these latest forces point towards coming downside risks. On top, we also expect more below par economic data in the months ahead. Given these still poor liquidity and economic fundamentals, we expect a near term switch towards ‘risk-off’ again and to rising FX volatility.

Performance Statistics

	Last 12 Months	Since Inception
Annualised Return (%)	**-5.31**	**2.00**
MSCI World	1.45	2.30
HFRX Equity Hedge	-13.24	-1.63
Volatility (%)	**15.54**	**17.25**
MSCI World	15.42	16.05
HFRX Equity Hedge	8.80	9.20
Sharpe Ratio (X)	**-0.34**	**0.01**
MSCI World	0.09	0.03
HFRX Equity Hedge	-1.51	-0.38
Downside Volatility (%)	**14.90**	**19.69**
MSCI World	13.84	18.94
HFRX Equity Hedge	10.82	11.63
Sortino Ratio (X)	**-0.36**	**0.01**
MSCI World	0.10	0.02
HFRX Equity Hedge	-1.23	-0.30

Source: CrossBorder Capital

Risk Metrics

	Last 12 Months	Since Inception
Max. Drawdown (%)	**-16.52**	**-47.69**
MSCI World	-17.22	-50.77
HFRX Equity Hedge	-16.56	-29.32

	March	Last 12 Months
Beta Exposure	**88%**	**78%**
Developed	53%	37%
Emerging	34%	41%
Nominal Exposure	**94%**	**86%**
Developed	68%	54%
Emerging	26%	31%
Net FX Exposure	**29%**	**26%**
Daily VAR @ 95%	**1.5%**	**1.5%**
Daily VAR @ 99%	**2.2%**	**2.1%**

Performance figures are based on the USD share class. Returns in other share classes may vary.

CrossBorder Capital (Bermuda) Ltd
2 Reid Street, HM11
Hamilton, Bermuda

Tel (1) 441 295 3294
James Barton:
jbarton@ibl.bm
crossbordercapital.com

CrossBorder Capital Ltd
96 Baker Street
London, W1U 6TG

Tel (44) 20 7908 2800
David Straker -Smith
dss@liquidity.com

CrossBorderCapital
Implementing Insight

Pulsar Absolute

A Share Class

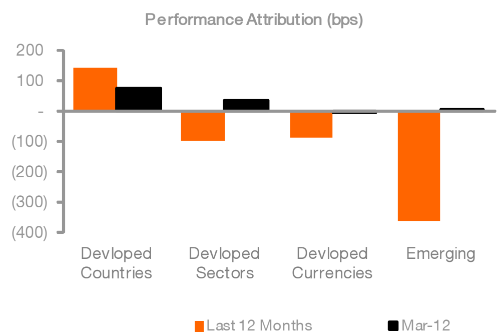
March 2012

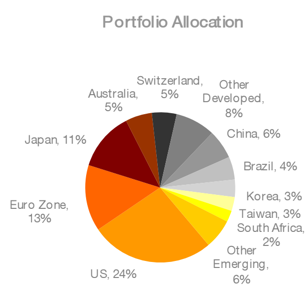
Investment Analysis

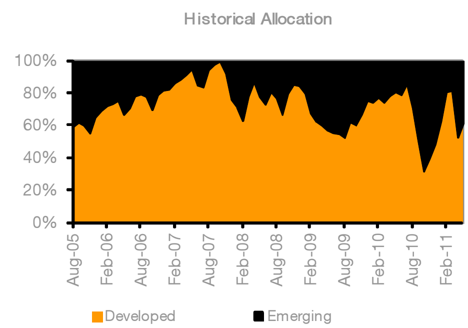
March was a mixed month for global equities. The MSCI world index rose 1.02% driven almost exclusively by US and Japanese equities. The S&P500 index rallied 3.13% while the Nasdaq100 was up by a staggering 5.04%. The Nikkei 225 was up 3.89% helped by a drop in the Yen. This is in stark contrast to European indices, which lost ground with the EuroStoxx50 losing 1.39% and the FTSE100 -1.76%. More worryingly, the down trend in European sovereign credits halted.

While the MSCI Emerging Markets dropped 3.52%, volatility continued its way down with the VIX ending at a low 15.5% and suggesting increasing complacency and a decoupling of US Equity markets from the rest. US yields rose across the curve on continued improvement in housing and employment data which contributed to lower expectations for near term quantitative easing. In general it was a down month for Commodities, with Oil trading in wide range.

Within this context, Pulsar Absolute returned 1.07% for the month. Positions in Japan, US and Swiss indices produced most of the returns while our risk overlays served to mitigate some of the losses in Emerging Markets and European indices. We are becoming less optimistic near term after the rally since December, being opportunistic vol buyers, heightening the possibility of a regime switch on less favourable central bank policies and real economy data.







Source: CrossBorder Capital

Other CrossBorder Single Manager Funds

CrossBorder Capital Pulsar Alpha	E	KYG7303Y1492	0.59	-0.42	-3.68
CrossBorder Capital Pulsar Emerging Markets	C	KYG7303Y1567	-1.21	10.03	-0.22

Fund Details

Corporate:	Cayman OEIC	**USD Class**	Bloomberg: **PULAALC KY**
Dealing:	Monthly purchase and weekly redemption (5 business days notice)	ISIN: KYG7303Y1070	CUSIP: G7303Y 10 7
Minimum:	$100,000	**EUR Class**	Bloomberg: **PULAAAE KY**
Fees:	Management Fee: 1.25% p.a.; Performance Fee: 20% of net gains	ISIN: KYG7303Y1310	CUSIP: G7303Y 13 1
	over higher of MSCI World DRI and 6 Month Libor	**GBP Class**	Bloomberg: **PULAAAS KY**
Administrator	Dundee Leeds Management Services	ISIN:KYG7303Y1237	CUSIP: G7303Y 12 3

Contact Details

London : (44) 20 7908 2800

David Straker-Smith dss@liquidity.com

Michael Howell mjh@liquidity.com

Pablo Carbajal pc@liquidity.com

William Bourne wb@liquidity.com

Bermuda : (1) 441 295 3294

James Barton
jbarton@ibl.bm

REGULATED BY THE FSA
96 BAKER STREET, LONDON W1U 6TJ
TELEPHONE (44) 20 7908 2800 / FACSIMILE (44) 20 7908 2835

CROSSBORDER CAPITAL BERMUDA LIMITED
REGISTERED AT THE BMA
2 REID STREET, HM11, HAMILTON. BERMUDA
TELEPHONE (1) 441 295 5588 / FACSIMILE (1) 441 295 5578

THE OFFICIAL NAV WILL BE SUPPLIED BY THE ADMINISTRATOR
PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS