



B Share Class : US\$ 991.14

October 2010

Monthly ROR in %

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YEAR
2006						0.78	0.78	-0.02	-3.22	1.90	0.91	-2.88	-1.85
2007	-0.17	0.36	0.99	-0.52	1.79	-0.09	-1.32	-2.99	7.44	2.15	-1.92	2.89	8.53
2008	3.37	4.42	-1.76	-4.65	0.49	-2.11	2.43	-1.66	-7.57	1.81	-7.22	6.19	-7.11
2009	-2.68	-4.36	8.35	7.19	4.01	-5.64	1.29	-3.64	3.07	-2.28	0.48	1.84	6.72
2010	0.30	-1.01	-0.33	-0.14	-7.62	3.63	1.12	0.00	0.02	0.00			-4.32

Investment Outlook

Our long-term view remains very much unchanged. We believe that future gains will be concentrated in gold, commodities and emerging markets, and averaging around 8-10% in real terms. Western markets will struggle to deliver returns much above 3-4% real, and periodic bounces inspired by QE2s, QE3s or even QE4s will only detract further from even this dull secular trend. Thus, by focussing on the likely global 'winners', hedging out the 'losers' and leveraging the net gains by

1.5 times, explains our aspiration of 8-9% long-term gains with low volatility. Yet without doubt the US Fed has reduced near-term investor risk by pumping a slated US\$600 billion into markets. Coming on top of the US\$240 billion already pumped in by EM economies through defensive US dollar purchases to hold down their currencies, the World is temporarily awash with cash. With the year-end approaching, it is hardly surprising that cash rich investors have

ploughed back money into markets. The real question is can it continue?

Only the US Fed and, for reactive reasons, EMs have so far injected liquidity. The ECB has reversed course; the BoJ is sitting on its hands, and even if China's recent flurry of rate rises and reserve increases don't add up to much, they are certainly not yet easing. We suspect another 'shock' lies ahead, and we would not be surprised if the Eurozone suffered another bout of jitters.

Performance Statistics

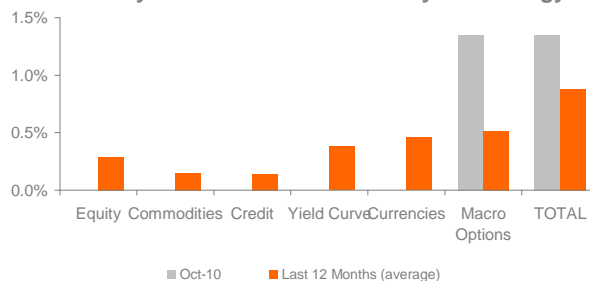
	Last 12 Months	Since Inception
Annualised Return (%)	-4.32	0.24
MSCI World	6.76	-0.57
HFRX Global Macro	-4.85	-0.36
Volatility (%)	9.41	12.21
MSCI World	19.40	20.21
HFRX Global Macro	5.28	9.69
Downside Volatility (%)	11.35	12.21
MSCI World	18.18	22.56
HFRX Global Macro	5.12	8.62
Maximum Drawdown (%)	-8.98	-19.91
MSCI World	-12.68	-54.03
HFRX Global Macro	-5.85	-18.36
Sharpe Ratio (X)	-0.47	-0.15
MSCI World	0.34	-0.13
HFRX Global Macro	-0.94	-0.25
Sortino Ratio (X)	-0.39	-0.15
MSCI World	0.36	-0.12
HFRX Global Macro	-0.97	-0.29

Source: CrossBorder Capital

Risk Metrics

	This Month	Last 12 Months
Daily VAR @ 95%	1.35	0.87
Daily VAR @ 99%	1.98	1.21

Daily VaR @95% as % of NAV by substrategy



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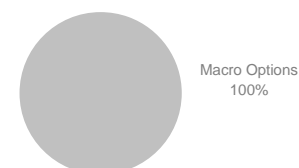


Performance Analysis

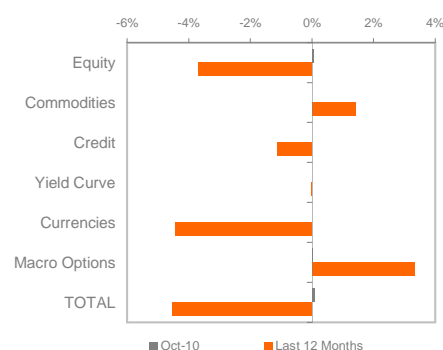
The CrossBorder risk index was “on” again in October after September’s rally. The S&P 500 rose nearly +4%, with the VIX (implied volatility index) dropping to roughly 20 at the end of the month. The S&P 500 implied volatility skew also flattened (i.e. extreme event insurance cheapened in relative terms) as investors predicted that QE2 would put a floor on the price of risky assets. The Fed seems to be targeting the long end of the yield curve in this round of easing, pushing out the duration of many investor portfolios and increasing the demand for technology stocks.

With this backdrop, the Pulsar Macro Fund (Class B shares) was unchanged for the month. Our focus has been squarely on currency volatility recently. We have been constructing low cost options structures on the Euro and Yen that are designed to break even if nothing much happens, while generating a significant return if there is a sharp drop in either currency relative to the US dollar. Given the potential divergence in central bank policy, with the Fed announcing aggressive bond purchases and the Reserve Bank of Australia raising short term rates, we are surprised that currency volatility has remained low. The implied volatility skew for Aussie/Yen cross (often an indicator of FX risk) is trading at 6 month lows across the curve. While implied volatility for some of the major crosses (e.g. Gold and GBPUSD) did pick up somewhat in October, it still seems to be surprisingly undervalued in certain areas. We hope to take advantage of some of these discrepancies going forward.

Risk Allocation



Performance Attribution



Source: CrossBorder Capital

Other CrossBorder Single Manager Funds

Fund	Share Class	ISIN	October	Last 3 Months	Last 12 Months
CrossBorder Capital Pulsar Absolute	A	KYG7303Y1070	0.47	2.29	5.10
CrossBorder Capital Pulsar Alpha	E	KYG7303Y1492	-2.81	-3.56	-4.33
CrossBorder Capital Pulsar Emerging Markets	C	KYG7303Y1567	0.52	4.65	20.81

Fund Details

Corporate Structure:	Cayman OEIC
Dealing:	Monthly Purchase (5 Business Days Notice) and Weekly Redemption (5 Business Days Notice)
Minimum Investment:	\$100,000
Annual Fees:	Management Fee: 1.75% p.a.; Performance Fee: 20%
Administrator	Dundee Leeds Management Services
Auditor	KPMG Bermuda
ISIN: KYG7303Y1153	CUSIP: G7303Y 11 5

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