

Canadian Hedge Fund Performance Index

June 2010

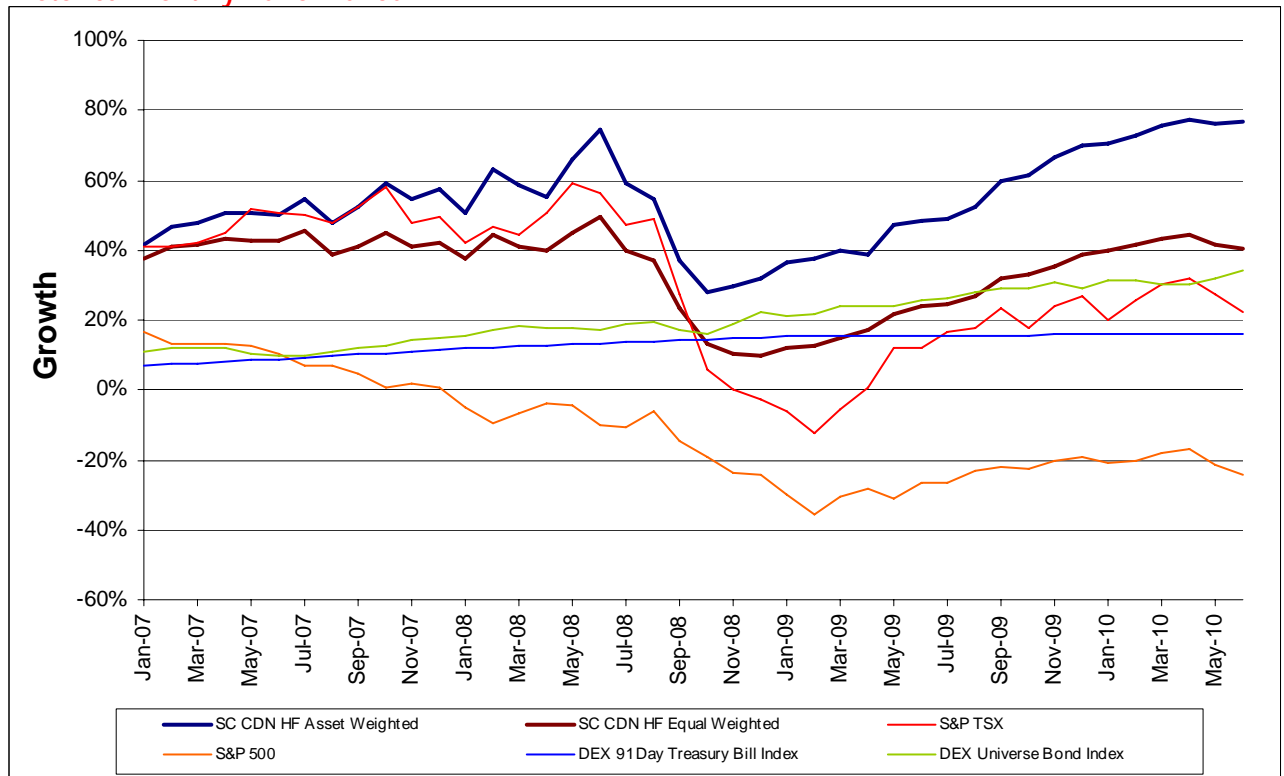
The Scotia Capital Canadian Hedge Fund Performance Index finished June 2010 up 0.42% on an asset weighted basis and down 0.60% on an equal weighted basis. The Index strongly outperformed broader equities in June, and modestly outperformed broader hedge fund indices on both an asset weighted and equal weighted basis.

Global capital markets experienced more volatility in June, as market participants expressed continued concern over European sovereign debt and a slowing momentum in global economic recovery. Broader equity markets sold off further in most regions, particularly in the latter part of the month in light of gloomy economic data points. The S&P 500 Index fell 5.39%. Cyclical dropped sharply on weak US economic data, followed by financials and energy, the latter driven by stocks linked to the Gulf of Mexico oil spill. Canada's S&P/TSX declined approximately 3.98%, driven once again by declines in info tech, financials and energy. In FX, the USD declined versus the GBP and JPY, while the EUR experienced a sizable dip versus the USD before edging back somewhat. The CAD also depreciated slightly against the USD, reflecting a slowing economy in Canada. Oil reversed from last month's steep decline with a gain of 2.24%, and gold advanced a further 2.14%. There was dispersion in performance among Canadian hedge fund managers once again in June, as well as within strategy sectors. Key performance drivers in the space in June were portfolio positioning and the ability to navigate shorter trending. Hedge fund managers are maintaining caution in light of further market uncertainty.

Description

The aim of the Scotia Capital Canadian Hedge Fund Performance Index is to provide a comprehensive overview of the Canadian Hedge Fund universe. To achieve this, index returns are calculated using both an equal weighting and an asset-based weighting of the funds. The index includes both open and closed funds with a minimum AUM of C\$15 million and at least a 12 month track record of returns, managed by Canadian-domiciled hedge fund managers.

Historical Monthly Performance



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Index Summary

*Month End Jun-10	Value	Return MOM	Return YTD	Annualized Return**	Annualized Standard Deviation***
SC CDN HF Index Asset Weighted	1,766.37	0.42%	3.90%	10.13%	12.27%
SC CDN HF Index Equal Weighted	1,404.80	-0.60%	1.16%	6.15%	10.50%
S&P TSX Composite	11,294.40	-3.98%	-3.85%	4.45%	16.73%
S&P 500 (quoted in USD)	1,030.71	-5.39%	-7.57%	-1.50%	16.16%
S&P 500	1,096.57	-3.63%	-6.63%	-3.78%	12.38%
DEX 91 Day Treasury Bill Index †	381.71	0.06%	0.17%	2.70%	0.47%
DEX Universe Bond Index ‡	768.28	1.80%	4.22%	4.71%	3.37%

*All returns quoted in CAD except where indicated

† Formerly: Scotia Capital 91 Day Treasury Bill Index

**Compound annual returns since index inception (December 31, 2004)

‡ Formerly: Scotia Capital Universe Bond Index

*** Of monthly returns

Historical Monthly Returns
SC CDN HF Asset Weighted

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2005	1.74%	5.01%	-2.68%	-1.85%	0.76%	1.30%	4.50%	1.39%	3.58%	-3.32%	1.58%	4.52%	17.35%
2006	6.73%	0.02%	5.65%	1.18%	-2.76%	-1.46%	2.01%	0.54%	-2.86%	4.31%	3.25%	2.31%	20.05%
2007	0.49%	3.48%	0.89%	1.95%	-0.15%	-0.37%	3.34%	-4.51%	3.03%	4.31%	-2.86%	1.83%	11.61%
2008	-4.34%	8.56%	-2.95%	-2.05%	6.86%	5.03%	-8.61%	-2.99%	-11.17%	-6.92%	1.65%	1.81%	-15.94%
2009	3.09%	1.04%	1.39%	-0.61%	5.91%	0.82%	0.50%	2.42%	4.84%	0.85%	3.24%	2.12%	28.62%
2010	0.32%	1.18%	1.78%	1.02%	-0.86%	0.42%							3.90%

SC CDN HF Equal Weighted

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2005	2.05%	5.32%	-2.83%	-2.18%	0.56%	1.63%	4.48%	1.36%	3.58%	-3.42%	1.68%	4.11%	17.10%
2006	5.86%	0.19%	3.44%	1.20%	-1.89%	-1.19%	1.86%	0.07%	-2.77%	3.95%	2.66%	2.45%	16.62%
2007	0.88%	2.30%	0.57%	0.91%	-0.18%	-0.11%	2.06%	-4.57%	1.47%	2.84%	-2.84%	0.92%	4.07%
2008	-3.27%	4.96%	-2.12%	-1.12%	3.98%	3.03%	-6.55%	-1.89%	-10.22%	-7.98%	-2.73%	-0.25%	-22.64%
2009	1.94%	0.28%	2.39%	1.59%	4.33%	1.64%	0.68%	1.77%	3.90%	0.77%	1.79%	2.59%	26.31%
2010	0.56%	1.24%	1.33%	0.68%	-2.02%	-0.60%							1.16%

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Funds Included:

AFC North American Fund L.P.	Hillsdale Canadian Long/Short Equity Fund	S.A.M. Healthcare/Biotech Equity Fund
Amethyst Arbitrage Fund	JC Clark Focused Opportunities Fund	Salida Multi Strategy Hedge Fund
Blumont Core Hedge Fund	JC Clark Preservation Trust	Silvercreek Convertible LP
Blumont Hirsch Performance Fund	Jemekk Long/Short Fund LP	Sprott Hedge Fund LP
Di Tomasso Equilibrium Fund	Landry Morin Long Short Momentum Fund	Sprott Hedge Fund LP II
Dynamic Power Hedge Fund	Mapleridge Fund Ltd. - Class B	Sprott Opportunities Hedge Fund LP
Fiera Global Macro Fund	Marret High Yield Hedge LP	TD Emerald Canadian Equity Market Neutral Fund
Fiera North American Market Neutral Fund II	Picton Mahoney Long Short Equity Fund	TD Emerald North American Equity Paris Fund
Formula Growth Hedge Fund	Picton Mahoney Market Neutral Equity Fund	TD Emerald US Equity Market Neutral Fund
Friedberg Global Macro Hedge Fund	Polar Securities - Altairis Long/Short	Vertex Fund
Front Street Canadian Energy Fund	Polar Securities - North Pole Capital Investments	Vision Opportunity Fund LP
Front Street Canadian Hedge Fund	Primevestfund	Wealhouse Panorama Fund
GMP Diversified Alpha Fund	Rival North American Growth Fund LP	
Goodwood Fund	Rosseau LP	

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