

Email to All APCIMS Members

18th June 2009

Dear Member,

Re: APCIMS Indices Hedge Fund component – Replacement Underlying index

As you will recall from my letter of 21st April, FTSE has ceased calculation of the FTSE hedge Index series with the last daily indicative value of 31st March carrying forward since then.

I am pleased to announce that as a result of the efforts of the Indices committee we will be replacing the underlying FTSE Hedge index with a new index.

The committee that oversees the series agreed in May that an interim solution would be to request FTSE to calculate a specialist hedge fund index using a universe of quoted closed –ended investment companies.

With respect to this index, starting values will be provided by FTSE from 1st July 2009. The index will be based on the price of the underlying constituents. The starting value will be the “flat” value that has been running for the previous index. FTSE will provide values for distribution as per standard FTSE distribution policy.

A sub group of the APCIMS Indices committee will make quarterly reviews of the constituents. The ground rules document which define the inclusion/exclusion criteria as well as other matters is currently being drafted and I will distribute to members as soon as it has been finalised. Historic values of this underlying index will also be made available as soon possible after it has been launched.

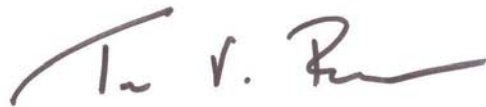
It is hoped that this custom index built especially for APCIMS and in as short a time period as possible provides a satisfactory short/medium term solution while FTSE investigate and plan the creation of a long term replacement index for the “FTSE Hedge”.

Please find below a list of the starting constituents of the index of which there are 23.

	£ Hedged FOHF	SEDOL
ABR	Absolute Return Trust	B05PYY1
AIDP	Aida Fund - £	B1KBGQ7
ACD	Acencia Debt Strategies	B0Q73G1
AIS	Alt. Inv. Strategies	B06GDT1
BARS	BlackRock AbsRtn Strats - £	B2PXDB9
HED	BNP Paribas Hedge Elite	B296Z85
CMAS	CMA Global Hedge - £	B170BK6

DAB	Dexion Absolute - £	3228702
DASL	Dexion Alpha Strategies	B0ZQ8Q4
DEA	Dexion Equity Alternative	3431232
DTL	Dexion Trading	B037814
FCAP	FRM Credit Alpha	B1VR2X3
DIVA	FRM Diversified Alpha	B2RBZQ0
GSDO	G.Sachs Dynamic Opps - £	B173611
GMNT	Gottex Market Neutral	B1S4QQ8
HSGS	HSBC Global Absolute £	B03QH47
IVPH	Invesco Perp Select - Hedge Fd	B1DQ669
KGR	KGR Asia Dynamic	B0MSVZ3
HXS	New Star RBC Hedge - £	B1FBH69
SED	Saltus Euro Debt Strategies	B1WTM61
SIGG	Signet Global Fixed Inc - £	B1GJQ98
TIC	Tapestry Investment Company	B063C84
TRMA	Thames River Hedge+ £	3408151

Yours sincerely



Jason Baxter
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