

The Eclectica Fund

PERFORMANCE ATTRIBUTION REPORT

30 September 2011

ELECTICA
ASSET MANAGEMENT

Discretionary Global Macro

The investment objective of the Fund is to achieve capital appreciation, whilst limiting risk of loss, by investing globally long and short mainly in quoted securities, government bonds and currencies, but also in commodities and other derivative instruments.

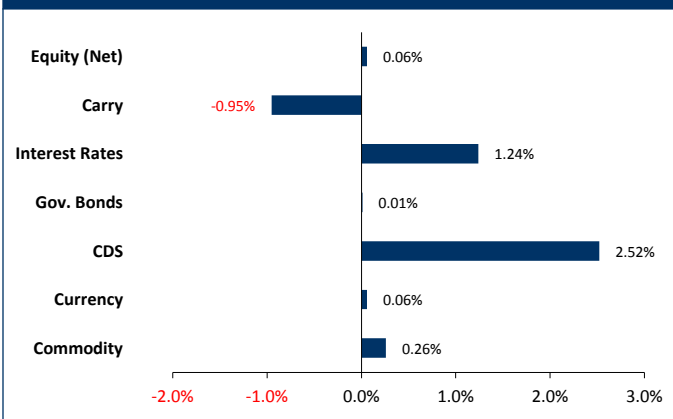
Monthly and Yearly Performance % (€ A Shares net of fees)

AUM: \$270, 140, 000

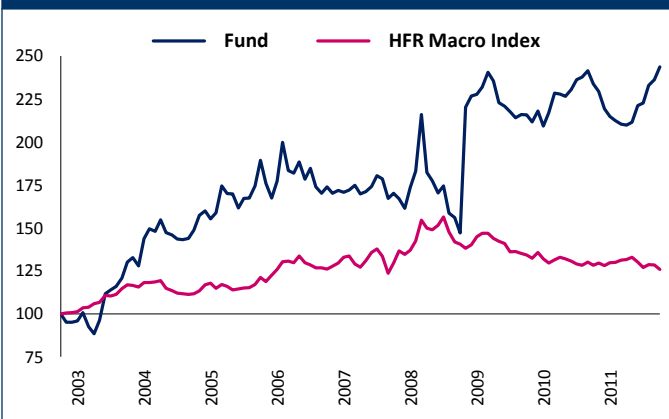
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2002									+0.0	-4.8	-0.1	+0.8	-4.2
2003	+5.2	-8.1	-4.6	+8.8	+16.2	+1.9	+1.8	+4.2	+7.8	+1.9	-3.7	+12.4	+49.9
2004	+4.0	-1.0	+4.6	-4.9	-0.9	-1.7	-0.2	+0.5	+3.4	+5.7	+1.7	-3.0	+8.0
2005	+2.4	+9.7	-2.5	-0.1	-4.8	+3.5	+0.0	+4.2	+8.5	-7.0	-4.8	+5.9	+14.2
2006	+12.7	-8.2	-0.8	+3.6	-5.4	+3.6	-5.9	-2.1	+2.2	-2.1	+0.9	-0.6	-3.7
2007	+0.7	+1.7	-2.9	+0.7	+1.8	+3.7	-1.0	-6.4	+1.8	-1.8	-3.4	+7.5	+1.6
2008	+5.5	+18.0	-15.6	-2.7	-3.9	+2.4	-9.1	-1.7	-5.7	+49.8	+2.9	+0.4	+31.2
2009	+1.9	+3.7	-2.1	-5.4	-0.9	-1.4	-1.7	+0.9	-0.1	-1.9	+3.0	-4.0	-8.0
2010	+3.7	+5.2	-0.2	-0.5	+1.7	+2.5	+0.6	+1.6	-3.1	-1.9	-4.3	-2.1	+2.7
2011	-1.1	-1.0	-0.3	+0.8	+4.6	+0.6	+4.6	+1.5	+3.2				+13.4

Source: Daiwa. Calculation on NAV basis.

Performance Attribution



Fund Performance Since Inception



*HFR Macro Index in USD – Assumes constituent funds performance is fully hedged. Bloomberg Ticker: HFRXM Index. Past performance is not a guide to future returns.

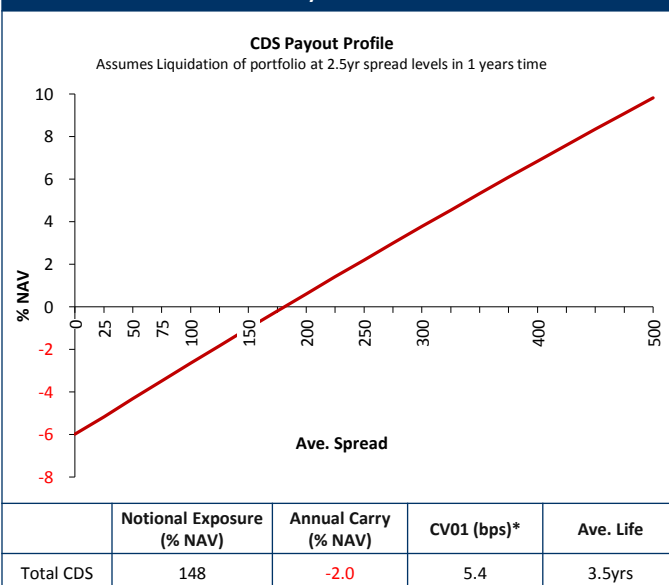
VaR Analysis

VaR Analysis	% NAV
95% Monte Carlo 1 Day VaR	0.7

Asset Allocation Summary

Asset Allocation Summary	% VaR
Interest Rate Options	17.0
Interest Rate Swaps	47.8
Gov Bonds	-0.1
Long Equity	-1.8
Short Equity	10.7
Corp Bonds	2.8
CDS	23.9
FX / Active FX	-2.9 / 0.3
Commodity	2.3

CDS Position Breakdown Summary



* DV01 figure represents basis point contribution for a 1bp rise/steepening/widening of the underlying rate/curve/spread.

* CV01 figure represents basis point contribution for a 1bp rise in the weighted average credit spread of the portfolio.

The Fund returned 3.2% in September bringing YTD gains to 13.4%.

September witnessed a continuation of the trend we saw emerging in Japanese corporate credit in August with the iTraxx Japan 5y index closing the month at 202bps, a level not seen since July 2009. Within this some of the more geared industries saw more significant widening. The Fund's contracts on shipping names widened by 80bps, paper names were wider by 60bps, steel names 30bps and a position in Marubeni CDS widened by almost 200bps. Corporate credit positions combined to return 2.3% for the Fund and further 25bps from sovereign credit positions, most notably from Denmark whose 5y CDS doubled from 66bps to 120bps where the Fund took profits and closed the position.

Interest rate positions added 1.2% as market stress continued to put pressure on forward rate expectations across the developed world. Contracts on UK, European and Australian interest rates returned 34bps, 29bps and 41bps respectively.

Despite the weakness in equity markets, the Fund's modest 3% net long exposure (12% gross exposure) returned 6bps in September owing to the defensive nature of long positions and short exposure dominated by the financial sector.

Elsewhere the Fund made 26bps from put options on Dec'11 Silver contracts.

Finally a note on our counterparty exposure. As we write this report in mid October, Europe is once again faced with a weekend of uncertainty. The Fund, having reduced risk in the early part of the month, maintains a diversified counterparty exposure. We presently have six ISDAs in place and two Prime Brokers, our unencumbered cash is maintained away from our Prime Brokers in 3mth German T-bills held by Brown Brothers Harriman (whose partners have unlimited liability) and all equity positions are fully funded thus avoiding rehypothecation.

Fund Information

Fund Details		Fees, Costs & Redemption Structure	
Investment Manager	Eclectica Asset Management LLP	Dealing 'A' Shares	1 st & 15 th of each month
Administrator	Daiwa Europe Fund Managers Ireland Ltd	Dealing 'B' & 'C' Shares	1 st of each month
Fund Managers	Hugh Hendry & Espen Baardsen	Dealing Notice	7 days before dealing day
Structure	Cayman Islands OEIC within a Master Feeder structure	Dealing Line	(+353) 1 603 9921
Inception Date	30 September 2002	Dealing Fax	(+353) 1 647 5830
Share Classes	€/E/\$	Dealing Email	daiwaSHSdealing@daiwagas.com
Minimum Investment	€100,000 or equivalent in £/\$100,000	AMC 'A' Shares (Closed)	1%
Dividends	Accumulated	AMC 'B' & 'C' Shares	2%
Stock Exchange Listing	Irish	Performance Fee	20%
		Exit Fee	1% exit fee on redemptions within 12 months

Service Providers

Service Providers		Eclectica Asset Management: Investor Relations	
Custodian/Prime Broker	1) Morgan Stanley and Co Int Plc	Telephone	+44 (0)20 7792 6400
	2) Credit Suisse Securities (Europe) Ltd	Email	marketing@eclectica-am.com
Custodian	Daiwa Securities Trust & Banking (Europe Plc)		
Auditors	Deloitte & Touche		

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