

TOSCA

Monthly Shareholder Report

September 2008

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Tosca Performance Summary
(as at 30th September 2008)

	MTD	QTD	YTD
Class A - Gross	-34.67%	-38.63%	-57.19%
Class A - Net	-34.67%	-38.63%	-57.19%
Class B - Gross	-34.67%	-38.63%	-57.19%
Class B - Net	-34.67%	-38.63%	-57.19%
MSCI World Local	-10.74%	-11.29%	-22.37%
S&P 500	-9.08%	-8.88%	-20.57%

	Long	Short	Net	Gross
Nominal	100.52%	-28.69%	129.21%	71.83%
Delta-adjusted	89.22%	-28.69%	117.92%	60.53%
Beta-adjusted	73.47%	-30.52%	103.99%	42.95%

VaR at month-end = 3.81%

Source for Fund performance data: Citco Fund Services (Dublin) Limited

*Net includes all fees and incentive estimates.

Fund Performance and Restructuring Plan

Dear Investor,

As your Portfolio managers and co-investors in Tosca we are writing to inform you that the events of September have had a profound negative effect on our performance. On behalf of the team we apologise for this outcome. We are confident we can explain how the performance will be recovered.

In the event that we are inundated with redemptions it is our intention to restructure the fund. This will assist redemptions but also give those of you who wish to stay the opportunity to participate in the turnaround and the rebound which we believe will take place. The portfolio has been readjusted, but in essence remains fundamentally intact to benefit from a number of corporate actions which we are involved in. We are more than ever determined to succeed in being a catalyst to make things happen and to recoup our losses.

It is emotionally and financially draining that after eight solid years the fund should be so damaged by the failed global monetary system. The system was so damaged that any respect to valuation and ownership of companies has been lost. The speed of regulatory intervention, the mania of negative business coverage and panic, and lack of consideration of alternatives has clearly hurt our mid term investment plans and given us a considerable setback. The portfolio managers clearly did not want to deliver such negative headlines and results. Being a secular, self-help and deal-based fund we of course have felt the full impact of these events. The withdrawal of liquidity and impact on cash savings has led to a whole host of prisoners. For those watching our positions for evidence of our involvement, two recent examples bear witness to the scars.

- The shares we held in Washington Mutual were restricted and therefore unable to be disposed of to protect the value of our fund. The banking cash and liquidity problem sank our preferred merger solution. The fact that market to market assets on a hold to maturity loan portfolio is an accounting anomaly added to the problem. This current climate and the large loss on Washington Mutual is a distressing and unpleasant experience. For the record our preferred solution was the involvement of Santander by way of a reverse takeover of another U.S. bank. There may have been less need for acquisition write-offs and capital could have been raised against the value of synergies and a strong minority shareholder. We clearly agree with other shareholders on the matter of surprise with the speed that regulators would not allow the time to consider alternative plans.

- We have been working towards corporate activity to maximise the value of a number of strategic stakes that we hold. One of these was about to come to fruition when the cash and credit crisis in the U.S. involved the loss of the main backer due to emergency rescue requests being made in the U.S. The loss for now of this long term project at the very last moment adds to the dreadful feelings.

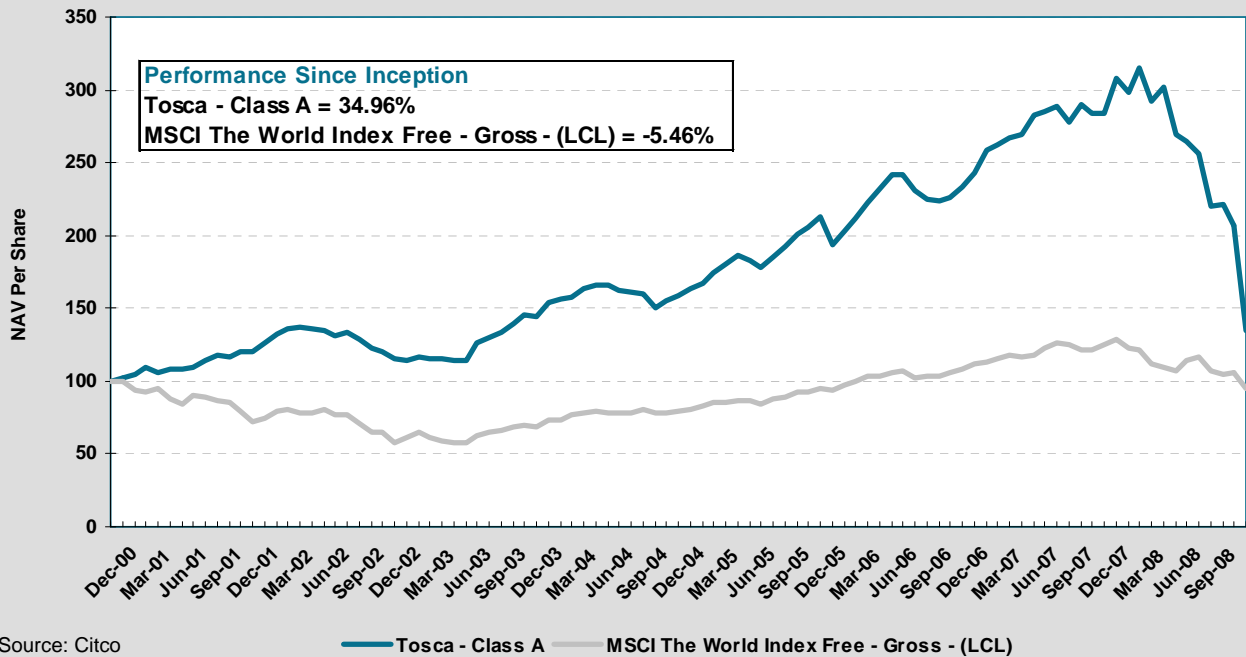
We understand that the circumstances have put both us and all our investors under strain. Performance leads to redemptions, which requires cash, which further affects performance due to selling which leads to more redemptions. The current numbers reflect further than the absolute loss of Washington Mutual but the related sell off of all our positions as the market speculated to necessary funds being raised to meet redemption requests. The investment error in developed markets was to use as a long position deep value financial franchises that would benefit from mergers and sell ups. That second phase did not evolve in a normalised fashion, due to extreme panic, zero liquidity and overly cautious regulator actions. At some stage we would like to follow the third phase to recover the value from the enlarged entities that have been created.

The residual equity longs are in our strategic positions that have current market valuations out of kilter with their strategic worth. There is genuine value in the core. Examples include getting permission from a Chairman to explore a buyout proposal of his company. In this example the EV to EBITDA of 1.5, and zero debt, suggests good upside if we are allowed time to complete the work. We hope that the examples given in previous monthly reports convince you that there is merit in staying or approving the restructuring of the fund to take advantage of these opportunities, which we have worked hard to establish. They do not happen overnight, they take a lot of work and effort.

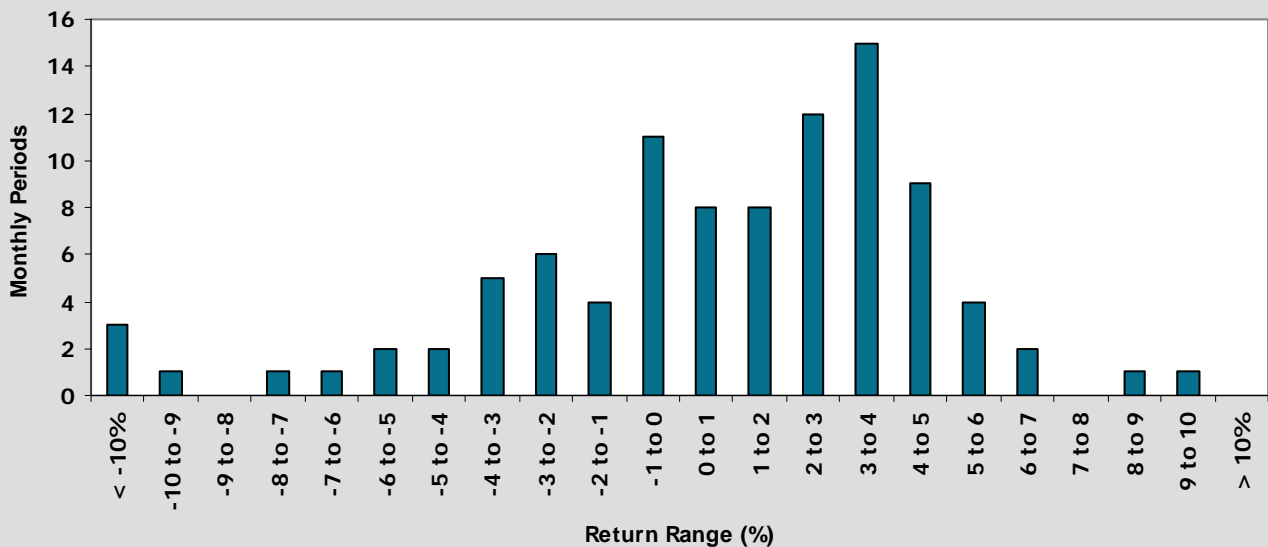
In order to capitalise on the opportunities we have before us, if needed we will restructure the fund. In essence we will create two share classes. One for those investors who are willing to give us time to recover our losses and one for those that want to redeem in an orderly fashion. For this purpose we will dedicate time to the task of getting the best value out of the existing portfolio as well as good new prospects. The team, led by Johnny de la Hey, will concentrate on the new fund while Martin Hughes will continue to work on the strategic, value enhancing, positions.

Historical Performance

Tosca Long-Short – Historical NAV Per Share (Inception to Present)



Histogram - Tosca Net Monthly Returns since inception



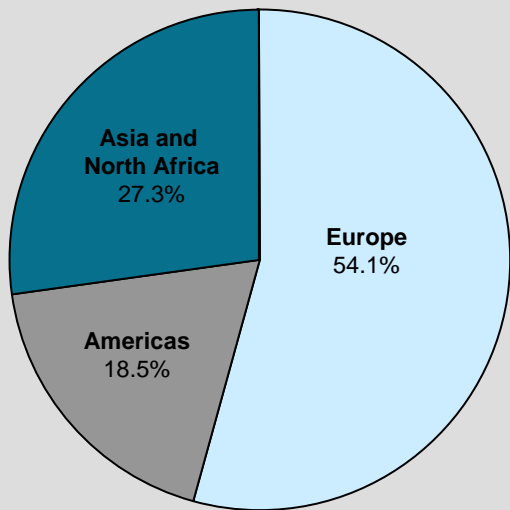
Five Year Historical Monthly Performance

Tosca

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2008	-7.17%	3.30%	-10.92%	-1.73%	-3.06%	-14.29%	0.74%	-6.75%	-34.67%				-57.19%
2007	1.50%	1.12%	5.03%	0.69%	1.39%	-3.85%	4.33%	-2.18%	0.31%	8.40%	-3.35%	5.81%	20.09%
2006	5.17%	4.17%	3.91%	0.27%	-4.65%	-2.68%	-0.15%	0.85%	3.37%	3.97%	6.61%	1.35%	23.84%
2005	3.34%	3.78%	-2.24%	-2.68%	4.38%	3.50%	4.86%	2.45%	3.31%	-9.17%	4.76%	4.59%	21.74%
2004	3.92%	1.43%	-0.56%	-2.02%	-0.76%	-0.89%	-5.59%	3.21%	2.33%	2.76%	2.54%	3.86%	10.22%
2003	-0.52%	-0.71%	0.31%	9.66%	3.36%	2.89%	4.75%	3.86%	-0.57%	6.26%	2.09%	0.67%	36.50%

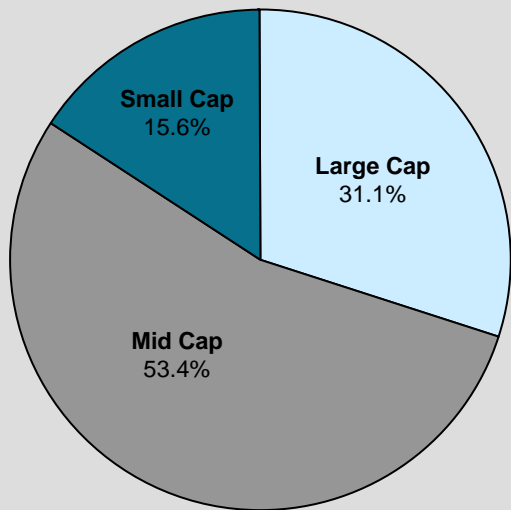
Source: Citco

Exposure by Region
(% of Gross Exposure)



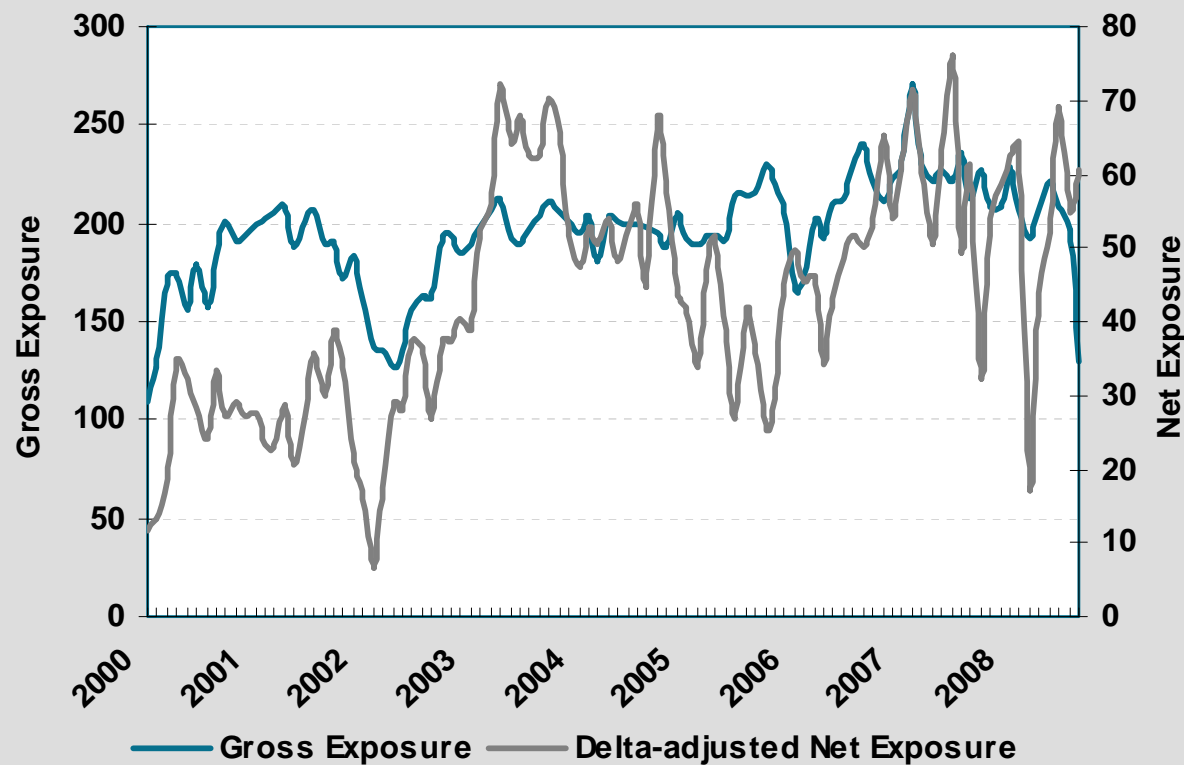
Source: RiskMetrics

Exposure by Market Cap
(% of Gross Exposure)



Source: RiskMetrics

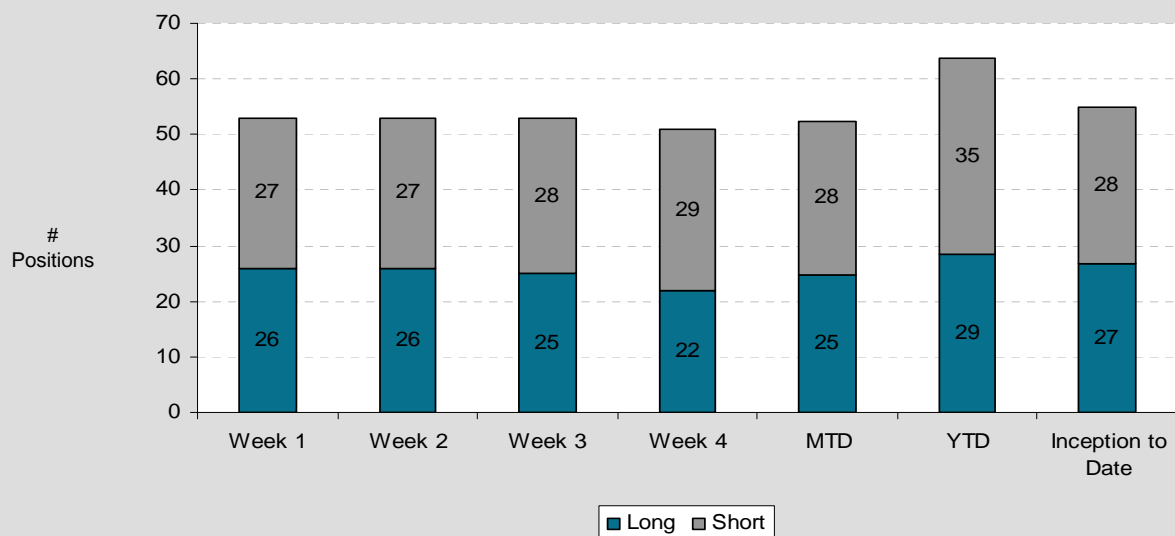
Historical Gross and Net Exposure
(as at 30th September 2008)



Source: RiskMetrics

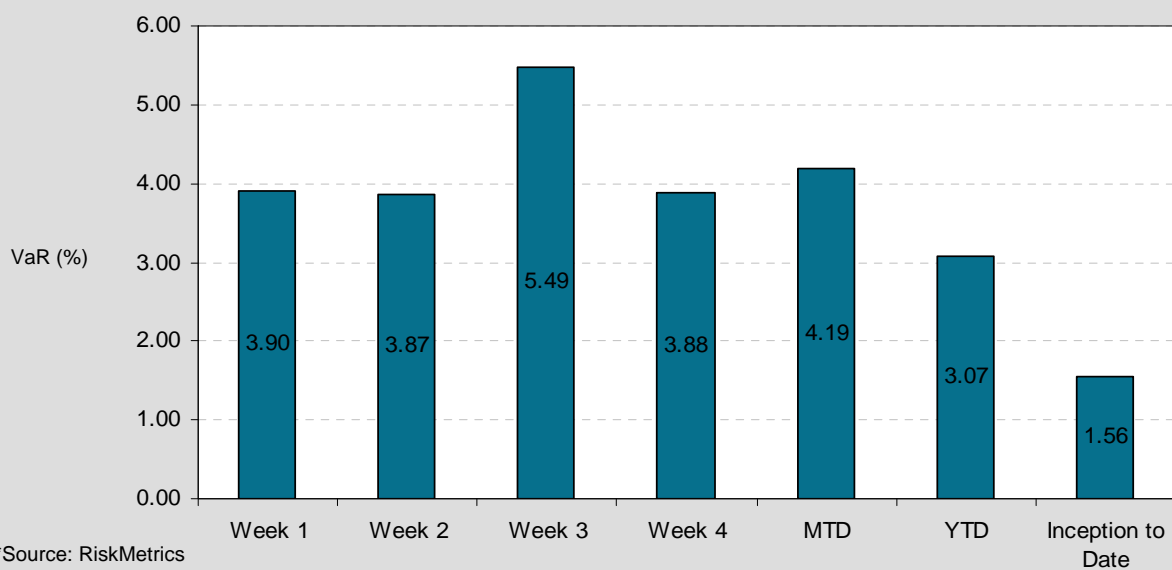
Weekly Vital Statistics

Positions



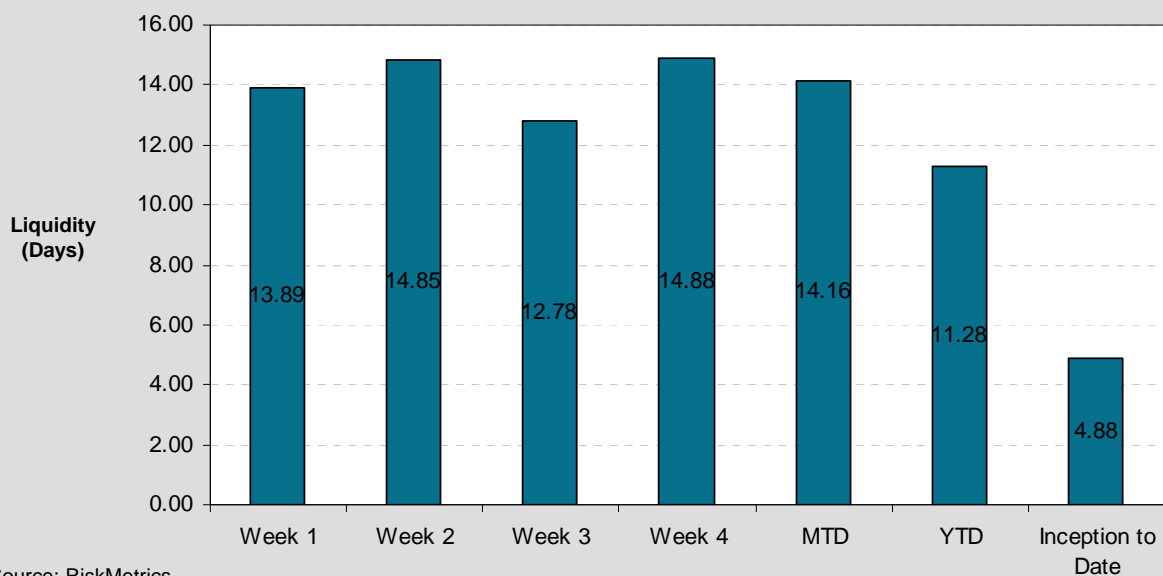
*Source: RiskMetrics

VaR (95% confidence, 97% decay factor, parametric method)*



*Source: RiskMetrics

Liquidity (days liquidity)



Source: RiskMetrics

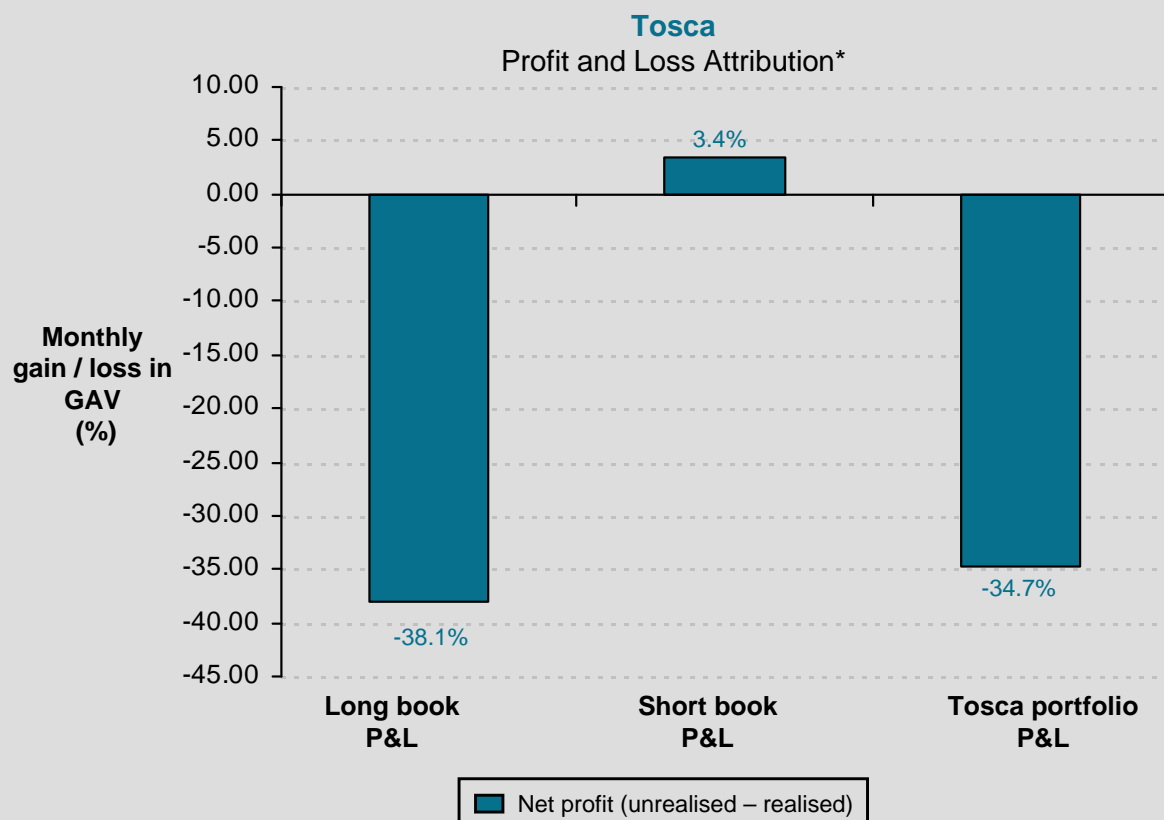
Key Risk and Fund Statistics

(as at 30th September 2008)

Risk Statistic	Tosca	MSCI World - Local
Standard Deviation	18.55%	13.87%
Sharpe Ratio (5%)	0.04	-0.33
Sortino Ratio (5%)	-0.07	-0.49
Alpha*	0.46%	
Annualised Alpha*	5.66%	
Beta*	0.73	
Correlation*	0.54	
R-squared*	0.29	

*As measured against the MSCI World Index – Local

Source: Citco



* Source: Citco Using gross asset value (GAV). The total percentage gain or loss in the GAV may differ slightly from the actual month's calculation due to intra-month movements in cash.

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