

NZARA

New Zealand Absolute Return Association

Thursday 20th November 2008

PRESS RELEASE

Continued strong performance from New Zealand absolute return managers in October...

The Ernst and Young New Zealand Absolute Return index surged to its second highest level since inception in October, gaining 2.83% for the month, putting year to date performance at +15.8%, and year on year performance at +18.07%.

Profitable performance from those managers with a positive exposure to the serial correlation of market returns (what some call “trend following”), and implied volatility contributed to a substantial proportion of the month’s gain. A long-short commodities component also surprised with a positive performance, even in the face of weaker commodity markets.

New Zealand Absolute Return Association (NZARA) Chairman Anthony Limbrick, who is also Chief Investment Officer of Pure Capital, one of the contributing managers, said “The Ernst & Young New Zealand Absolute Return Index was developed to do two things. The first was to raise both offshore and domestic awareness of the small but innovative New Zealand industry. This is an ongoing process but we are confident we are making progress. The second, to highlight the competence of New Zealand managers, continues to be reinforced by the strong performance of the index, both in outright terms, and in relative terms against our global peers”.

The Ernst and Young New Zealand Absolute Return Index is based on a concept of simple averages i.e. each of the seven constituent managers presents an “NZARA Average”, an average of the performance of all their funds or programs that are available for new money. In some cases a manager is presenting an average of several products. This collection of averages is then compiled again as a simple average to create the index. Ernst and Young compiles the index but is not a verification agent and does not guarantee the veracity of the performance numbers presented by the individual managers.

The index documentation was compiled by law firm Minter Ellison Rudd Watts.

Contact Information: **Anthony Limbrick**
Chairman
New Zealand Absolute Return Association Inc
Email: anthony.limbrick@purecapital.com
Phone: +64 21 564 555
Website: www.nzara.org