

NZARA

New Zealand Absolute Return Association

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PRESS RELEASE

New Zealand index shows strong performance against peers

The New Zealand Absolute Return Association Inc (NZARA pron: "en-zara"), the organization representing the New Zealand hedge fund, CTA and absolute return equity industry in New Zealand, has recently launched the Ernst and Young New Zealand Absolute Return Index.

The index is narrow, reflecting a small but innovative industry, with initially only seven constituent managers, but represents a cross section of the global industry with global equities, trend-following, long volatility and commodities all represented in the index.

Since inception (data collection started in July 2007), the index has returned over 21%. Year to date in 2008, the index has returned 12.4% with a +3.86% performance in September.

Chairman of NZARA, Anthony Limbrick said "Considering most indices are struggling to post gains on a year-to-date basis or are now substantially below where they were at December 31, 2007, we are quite satisfied with the performance of the index. We believe the performance is a confirmation of the innovation and competence of the index manager group"

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. 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.

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