

Fund Objective

The objective of the Fund is to invest predominantly in global real estate securities using a proprietary *quad unity theory*. The Fund targets annual dollar returns in excess of 30% with a Sharpe ratio above 1, and understands that achieving its return objective will likely provide profits in an asymmetrical distribution pattern over time.

Why Choose This Fund?

The Fund invests in global real estate securities and provides an investor who is looking for an absolute return investment the opportunity to diversify into another asset class.

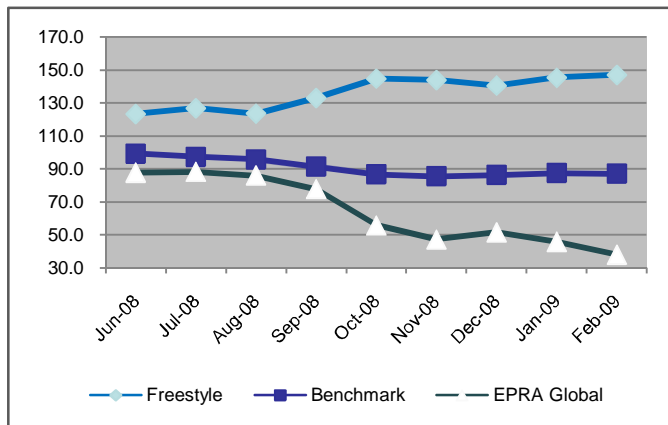
Further, the Fund offers the following unique benefits:

- The Fund is managed using *quad unity theory*: fundamental, technical, quantitative and sentiment valuation techniques.
- Unique "top-down" approach.
- The Fund allows for both Long and Short Investing.
- Underlying investment in international real estate, with diversified geographical and currency exposure.
- The Fund manager enjoys a highly successful track-record managing real estate hedge funds for more than 7 years.

About The Fund

Classification	Global Long Short – REIT
Risk rating	Relatively Aggressive

Comparative Charts



Risk vs EPRA Global Index & Attribution Analysis

Longs	25%	Shorts	75%
P&L (longs)	- 100%	P&L (shorts)	200%
Net Exposure	- 51%	Leverage	0.62
Correlation	- 38.47%		
Beta	- 0.29	Alpha (monthly)	1.88%

Key Statistics *

Annualized Return	62.63 %
Return Since Inception (June 08)	46.97 %
Return YTD – through February 09	4.52 %
Average Monthly Return	4.63 %
Volatility (Standard Deviation Annualized)	29.65 %
Sharpe Ratio (RFR 2.00%)	1.91
Sortino Ratio (RFR 2.00%)	13.18
Best Month	23.11 %
Worst Month	-2.54 %
% Winning Months	66.67 %
% Losing Months	33.33 %
No of Months	9

Fund Relative Performance *

Freestyle Fund – Current Month – Feb 2009	1.14 %
Freestyle Fund – Year-to-Date – 2009	4.52 %
Freestyle Fund – From Inception – June 2008	46.97 %
Benchmark ^ – Current Month – Feb 2009	-0.36 %
Benchmark – Year-to-Date – 2009	0.98 %
Benchmark – From Inception – June 2008	-12.74 %
EPRA Global ^^ – Current Month – Feb 2009	- 16.93 %
EPRA Global – Year-to-Date – 2009	- 26.05 %
EPRA Global – From Inception – June 2008	- 61.71 %

About the Asset Manager

VT International trading as "Velocity Trading" is a boutique real estate securities asset manager, with a focus on alternative investments. The company is an authorized representative of Surety Asset Management (AFS: 322081) an ASIC registered MDA/CTA. VT International is Australian domiciled with partners based in South Africa and the USA.

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Historic Monthly Returns *

	YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	40.62%						23.51%	2.73%	-2.52%	7.59%	8.81%	-0.65%	-2.25%
2009	4.52%	3.34%	1.14%										

Past Performance is no indication of future performance.

* All Calculations after Fees. Management Fee 2%p.a. and Performance Fee 20%
 ^ Benchmark a combination of Eureka and HFRX see explanation note on pg 3.
 ^^ EPRA Global Index is the most comprehensive index of the Global REIT market

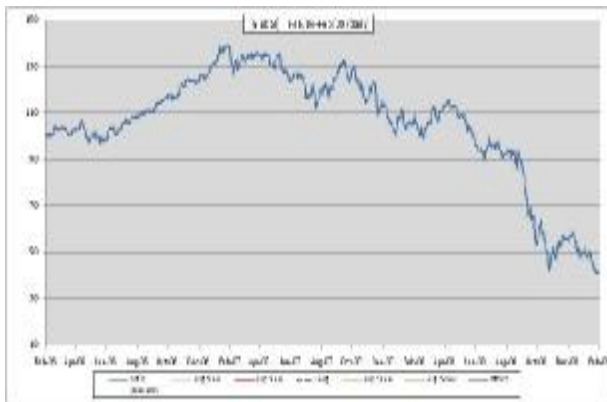
Fund Commentary

Summary of Performance and Strategy

We are happy to say that almost all the markets we follow have broken below their Nov 08 lows, as forecast. This past months performance has been most gratifying given the scale of the wealth destruction across every market in almost every country. We have been gently preparing to make a dramatic change to our funds position structure in the coming days/weeks. In general terms we have seen 5 Elliott Waves down (either complete or close to complete), sentiment has probably never been lower in REIT world and technically the market is very "oversold". What this means is being short in the current market doesn't offer the risk reward ratio that we typically look for in our trading positions, and therefore it is time to turn this ship around and either take a more market neutral approach or simply get long the market. We have a number of sub-trading strategies that we will append to this overall long theme, and will comment on these strategies in future newsletters. For now we will need to see how things play out before committing to a net long position.

What Do The Experts Know?

The commissioner of the U.S. Office of Patents, in urging President William McKinley in 1899 to close down the patent office, said, "Everything that can be invented has been invented." In 1901, Wilbur told Orville, "Man will not fly for fifty years." The Wright brothers flew on December 17, 1903. In August 1941, Captain W.T. Puleston, the former chief of US Naval Intelligence, stated: "The Hawaiian Islands are over-protected; the entire Japanese Fleet and Air Force could not seriously threaten Oahu." Said Secretary of the Navy Frank Knox on December 4, 1941: "No matter what happens, the U.S. Navy is not going to be caught napping." Three days later, Pearl Harbour and Oahu were bombed. An 1865 review of *Alice's Adventures in Wonderland* in *Children's Books* said of Lewis Carroll's work: "We fancy that any real child might be more puzzled than enchanted by this stiff overwrought story." *The Southern Quarterly Review* was a little more courtly in its review of Herman Melville's classic in 1851: "Moby Dick is sad stuff, dull and dreary, or ridiculous. His Mad Captain ... is a monstrous bore." Louis B. Mayer, cofounder of MGM, was told by one of his senior executives not to bid for the rights for *Gone With the Wind*: "Forget it, Louis, no Civil War picture ever made a nickel." A Universal Studio executive dismissed two actors at the same meeting, telling the first, "You have no talent", and the second, "You have a chip on your tooth, your Adam's apple sticks out too far, and you talk too slow." The first actor was Burt Reynolds and the second was Clint Eastwood, the movies' two biggest box-office draws in the 1970s (these examples come from a book by renowned contrarian David Dremen, *Contrarian Investment Strategies*).



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Fund Commentary

In John Mauldin's latest newsletter he produces a table (see below) showing how the so called experts have had to revise their forecasts of the S&P500 earnings.

Falling Earnings Estimates for the S&P 500 for 2008
S&P Analysts estimates for earnings

Date	Earnings
March 2007	\$92
December 2007	\$84
February 2008	\$71.20
June 1, 2008	\$68.03
July 25, 2008	\$72.01
September 30, 2008	\$60
October 15, 2008	\$54.82
February 20, 2009	\$26.23!!!

And Estimates for 2009

March 20, 2008	\$81.52
April 9, 2008	\$72.60
June 25, 2008	\$70.13
August 29, 2008	\$64.66
September 10, 2008	\$58.87
October 14, 2008	\$48.52
February 1, 2009	\$42.00
February 20, 2009	\$32.41!!!!

So by now you are asking what is Berman trying to say. My point is actually quite simple. When President Obama gets up and says that he will create 3 million jobs, or reduce the government budget deficit by the end of his term, or Secretary Geitner or Chairman Bernanke try and convince you that they have got a handle on the situation or any other so called expert speaks with an authority that comes across as fact then you need to keep the above examples in mind and be a little circumspect; by the way that includes me and my forecasts.

The problems we are currently facing cannot be fixed with solutions that inevitably will cause further problems. The current Keynesian approach to solving our current problems is doomed to failure much like the monetarist approach that brought on the current mess. My hero, Ludwig Von Mises, the Austrian Schools leading figure of the last century had some prophetic words when he wrote in an essay in 1936 entitled, *The "Austrian" Theory of the Trade Cycle, attempts to artificially lower the rate of interest which arises on the market, through an expansion of credit, can only produce temporary results, and that the initial recovery will be followed by a deeper decline which will manifest itself as a complete stagnation of commercial and industrial activity. The economy will not be able to develop harmoniously and smoothly unless all artificial measures that interfere with the level of prices, wages, and interest rates, as determined by the free play of economic forces, are renounced once and for all.*

It is not the task of the banks to remedy the consequences of the scarcity of capital or the effects of wrong economic policy by extension of credit. It is certainly unfortunate that the return to a normal economic situation is delayed by the pernicious policy of shackling commerce, by armaments and by the only too justified fear of war, not to mention the rigidity of wages. But it is not by banking measures and credit expansion that this situation will be corrected.

Much of the solution lies in embracing the fact that the economy functions in what the "Austrians" describe as the trade cycle. I will need to explain this phenomenon in greater detail in future letters.

Michael Berman
Fund Manager

Note on Benchmark.

As mentioned in previous letters, I believe the best benchmark for performance is the global hedge fund index. I like to get our month end reports out as near to the beginning of the month as possible. Therefore I have decided to use HFRX which is a live tradable index. I have used the new index for the month of Feb, and will change the time series completely to HFRX from Eureka as soon as I have full access to the data. The data as presented provides a very good picture of the benchmark.

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