

# Monthly Newsletter – December 2009

## ATRIUM AUSTRALIAN EQUITY MARKET NEUTRAL FUND

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As at 31 December 2009

Last Month Return +1.06%

Financial YTD Return -1.16%

Unit Price \$0.9884

### Fund Description

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The Atrium Australian Equity Market Neutral Fund (the Fund) is an actively managed absolute return fund that invests in listed equities and related derivatives in Australia. The product is designed to exhibit significantly lower annual volatility than the majority of Australian equity market products.

### Fund Objective

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To annually generate positive returns after fees in excess of the RBA Cash Rate regardless of equity market conditions.

### Commentary

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The Fund increased in value by approximately 1.1% for the month of December, against a backdrop of an increase in the value of the Australian equity markets of 3.5%. Global market measures of volatility continued to decline in December, consistent with the general trend in recent months of increasing risk appetite amongst investors.

Gains were fairly evenly spread throughout the portfolio, with a long position in Perpetual being the largest contributor at +0.7%. This position has subsequently been closed as our price target was reached in the early part of January.

We continue to view the Australian equity markets as moderately overvalued, as improvements in market sentiment appear to us to be too rapid given the prevailing economic conditions. Accordingly we believe the risk of a sudden, negative shift in sentiment is plausible and is currently under priced by markets.

Resource stocks in particular are appreciating rapidly as sentiment towards the sector appears to be approaching the euphoric levels seen in late 2007. We are approaching this sector cautiously, and currently have limited exposure. However, we expect this area of the market to become more volatile, potentially creating opportunities consistent with our investment philosophy.

### Performance After Fees (%)

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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009										(0.12%)	(2.08%)	1.06%	(1.16%)

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### Investment Manager - Atrium Investment Management Pty Ltd

Atrium's investment team has over 35 years' combined investment market experience encompassing investment research, portfolio management, and portfolio hedging, trading and risk management. The management team for this product has worked together for a period of 3 years, operating a similar portfolio for an offshore financial institution prior to joining Atrium.

### Key Information

Responsible Entity	Perpetual Trustees	Contribution Fee	Nil
Administrator	White Outsourcing	Withdrawal Fee	Nil
Custodian / Prime Broker	Goldman Sachs International	Management fee	1.283% of NAV of the fund
Applications	Monthly, 1 <sup>st</sup> Business Day of the month	Performance Fee	15.4% of performance in excess of the RBA cash rate, subject to high water mark
Minimum Investment	A\$50,000	Buy-sell Spread	0.20% both sides
Withdrawal	Monthly, 1 <sup>st</sup> Business Day of the month	Estimated Administration Costs	0.30% of NAV of the fund
Distributions	Bi-Annually	Published Unit Prices	<a href="http://www.atriuminvest.com.au">www.atriuminvest.com.au</a>
Unit Prices	Last Business day of the month	ARSN	139 108 508

### Contacts

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You should seek your own financial and taxation advice before investing or dealing with your investment and read the product disclosure statement (PDS) explaining the Atrium Australian Equity Market Neutral Fund. This PDS is available free of charge from our website [www.atriuminvest.com.au](http://www.atriuminvest.com.au). Past performance (whether constructed or actual) should not be taken as an indication of future performance. No one promises any rate of return or the return of money invested.

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