



## HENNESSEE HEDGE FUND INDICES

### Yearly Performance of 23 Management Styles

|                                   | 1987-2011<br>Annualized<br>Return | 1987-2011<br>Standard<br>Deviation | 2011          | 2010         | 2009          | 2008           | 2007          | 2006          | 2005         | 2004         | 2003          | 2002          | 2001         | 2000         | 1999          | 1998         | 1997          | 1996          | 1995          | 1994         | 1993          | 1992          | 1991          | 1990          | 1989          | 1988          | 1987          |
|-----------------------------------|-----------------------------------|------------------------------------|---------------|--------------|---------------|----------------|---------------|---------------|--------------|--------------|---------------|---------------|--------------|--------------|---------------|--------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| ASIA - PACIFIC INDEX              | 13.34%                            | 26.06%                             | -7.43%        | 6.17%        | 23.40%        | -22.42%        | 15.18%        | 9.25%         | 19.97%       | 6.64%        | 30.16%        | -1.99%        | 4.78%        | -6.52%       | 81.12%        | -9.67%       | 1.81%         | 7.56%         | 3.13%         | -4.36%       | 45.56%        | 15.22%        | 32.80%        | 27.60%        | 87.36%        |               |               |
| CONVERTIBLE ARBITRAGE INDEX       | 8.66%                             | 12.22%                             | -0.89%        | 10.38%       | 46.25%        | -24.04%        | 4.71%         | 12.12%        | -2.44%       | 0.90%        | 9.77%         | 8.68%         | 14.87%       | 8.61%        | 16.20%        | 6.17%        | 12.23%        | 13.49%        | 20.58%        | -7.73%       | 13.23%        | 13.42%        | 15.16%        | 1.15%         | 13.74%        | 18.06%        |               |
| DISTRESSED INDEX                  | 13.75%                            | 15.72%                             | -6.24%        | 15.47%       | 41.87%        | -29.27%        | 8.30%         | 15.79%        | 9.52%        | 18.98%       | 25.79%        | 1.88%         | 8.88%        | 2.38%        | 24.80%        | -3.80%       | 15.64%        | 23.21%        | 21.10%        | 7.86%        | 26.77%        | 12.94%        | 27.80%        | 10.56%        | 9.06%         | 35.07%        | 48.18%        |
| EMERGING MARKETS INDEX            | 16.31%                            | 31.18%                             | -13.32%       | 13.12%       | 39.65%        | -30.47%        | 15.84%        | 13.40%        | 10.14%       | 12.83%       | 24.47%        | 5.02%         | 11.79%       | -9.35%       | 47.12%        | -38.17%      | 25.47%        | 21.40%        | -3.43%        | 8.89%        | 56.89%        | 13.98%        | 59.88%        | 22.08%        | 101.88%       | 77.76%        |               |
| EUROPE INDEX                      | 6.98%                             | 13.63%                             | -13.66%       | 7.35%        | 16.59%        | -18.79%        | 5.65%         | 13.54%        | 15.64%       | 8.18%        | 12.92%        | -3.72%        | -2.63%       | 13.45%       | 36.57%        | 19.12%       |               |               |               |              |               |               |               |               |               |               |               |
| EVENT DRIVEN INDEX                | 13.45%                            | 15.05%                             | -4.27%        | 14.63%       | 39.49%        | -24.72%        | 4.14%         | 12.57%        | 7.05%        | 12.48%       | 19.71%        | -0.43%        | 12.60%       | 10.87%       | 24.36%        | -0.75%       | 25.91%        | 22.91%        | 16.21%        | 9.14%        | 33.51%        | 21.38%        | 20.27%        | 7.60%         | 11.99%        | 54.85%        | 9.92%         |
| FINANCIAL EQUITIES INDEX          | 16.19%                            | 19.18%                             | -8.26%        | 10.44%       | 24.79%        | -16.51%        | 6.43%         | 11.60%        | 3.49%        | 11.55%       | 35.82%        | 6.29%         | 15.00%       | 27.83%       | 4.63%         | -17.59%      | 41.25%        | 30.44%        | 39.77%        | 17.63%       | 34.14%        | 22.36%        | 6.98%         | 64.23%        | 36.32%        |               |               |
| FIXED INCOME INDEX                | 11.99%                            | 20.49%                             | 3.29%         | 10.79%       | 23.01%        | -11.11%        | 5.64%         | 5.61%         | 5.62%        | 5.31%        | 1.74%         | 5.35%         | 7.65%        | 5.08%        | 14.64%        | -12.90%      | 10.84%        | 21.50%        | 17.44%        | -0.65%       | 21.30%        | 19.06%        | 94.82%        | 37.39%        | 18.51%        |               |               |
| GROWTH INDEX                      | 12.16%                            | 15.80%                             | -6.42%        | 10.86%       | 22.11%        | -21.94%        | 15.01%        | 11.57%        | 7.50%        | 6.02%        | 22.40%        | -11.64%       | -3.69%       | -3.22%       | 53.20%        | 16.37%       | 18.29%        | 17.88%        | 30.64%        | 0.32%        | 24.10%        | 20.74%        | 36.55%        | 9.27%         | 30.10%        | 17.26%        | 8.62%         |
| HEALTHCARE/BIOTECH INDEX          | 11.28%                            | 22.43%                             | 2.66%         | 4.83%        | 25.62%        | -15.16%        | 9.82%         | 6.25%         | 2.62%        | 7.63%        | 31.77%        | -17.03%       | -2.16%       | 62.37%       | 60.53%        | 6.03%        | 13.64%        |               |               |              |               |               |               |               |               |               |               |
| HIGH YIELD INDEX                  | 11.52%                            | 17.03%                             | 3.36%         | 12.04%       | 28.24%        | -22.11%        | 6.46%         | 14.22%        | 7.05%        | 8.90%        | 22.54%        | -7.12%        | 10.58%       | -9.99%       | 8.34%         | -6.76%       | 16.06%        | 23.09%        | 17.76%        | -2.49%       | 27.18%        | 23.39%        | 38.86%        | 60.15%        | 14.30%        |               |               |
| INTERNATIONAL INDEX               | 12.55%                            | 15.43%                             | -8.47%        | 12.21%       | 22.96%        | -23.04%        | 21.54%        | 12.60%        | 13.00%       | 10.29%       | 25.61%        | 2.64%         | 4.40%        | 9.11%        | 44.35%        | 1.38%        | 24.97%        | 22.40%        | 14.65%        | -5.28%       | 38.62%        | 16.54%        | 45.26%        | 0.22%         | 19.60%        | 7.48%         | 7.33%         |
| LATIN AMERICA INDEX               | 18.22%                            | 37.61%                             | -15.42%       | 16.32%       | 48.65%        | -27.50%        | 22.50%        | 17.05%        | 18.05%       | 14.99%       | 69.86%        | -15.90%       | -13.07%      | -12.54%      | 74.11%        | -37.59%      | 10.34%        | 31.11%        | -6.17%        | 21.03%       | 64.33%        | 13.00%        | 66.65%        | 16.56%        | 116.40%       | 77.76%        |               |
| MACRO INDEX                       | 11.24%                            | 13.68%                             | -0.92%        | 7.20%        | 10.26%        | 2.78%          | 13.34%        | 5.54%         | 8.35%        | 4.50%        | 17.76%        | -3.50%        | -2.90%       | 5.89%        | 7.90%         | 3.82%        | 19.00%        | 19.57%        | 19.29%        | -16.22%      | 49.74%        | 17.78%        | 24.03%        | 25.65%        | 41.12%        | 16.61%        | 4.54%         |
| MARKET NEUTRAL INDEX              | 6.69%                             | 6.33%                              | 4.38%         | 4.97%        | 9.29%         | -15.67%        | 8.22%         | 7.23%         | 4.75%        | 3.09%        | 2.11%         | 1.73%         | 6.49%        | 7.12%        | -0.84%        | 4.66%        | 14.98%        | 17.19%        | 11.31%        | 7.00%        | 9.52%         | 7.34%         | 14.64%        | 9.11%         | 13.91%        | 12.27%        | 7.52%         |
| MERGER ARBITRAGE INDEX            | 10.10%                            | 8.91%                              | -0.25%        | 6.21%        | 11.47%        | -1.23%         | 11.73%        | 12.79%        | 4.68%        | 4.77%        | 5.37%         | -1.07%        | 3.54%        | 17.49%       | 16.03%        | 5.92%        | 14.74%        | 14.51%        | 16.02%        | 5.89%        | 27.95%        | 15.95%        | 15.43%        | 2.62%         | 13.08%        | 37.16%        | 0.19%         |
| MULTIPLE ARBITRAGE INDEX          | 9.44%                             | 8.56%                              | -2.38%        | 11.54%       | 28.57%        | -17.30%        | 9.85%         | 12.30%        | 5.49%        | 7.07%        | 12.33%        | 5.11%         | 10.15%       | 19.78%       | 16.31%        | 4.46%        | 13.37%        | 16.79%        | 12.67%        | 3.58%        | 8.56%         | 13.74%        | 13.90%        | 9.75%         |               |               |               |
| OPPORTUNISTIC INDEX               | 12.27%                            | 12.20%                             | -10.65%       | 5.95%        | 25.56%        | -13.56%        | 13.81%        | 14.12%        | 7.67%        | 8.20%        | 14.00%        | -8.32%        | -1.61%       | 10.63%       | 37.23%        | 16.26%       | 16.07%        | 19.86%        | 21.60%        | 4.85%        | 29.39%        | 15.35%        | 30.37%        | 9.64%         | 14.99%        | 20.37%        | 22.10%        |
| PIPES/PRIVATE FINANCING           | 8.66%                             | 13.61%                             | -3.39%        | 6.71%        | 10.07%        | -18.07%        | 10.30%        | 10.57%        | 9.05%        | 15.94%       | 9.04%         | -6.26%        | -3.81%       | 4.75%        | 40.91%        | 21.46%       | 16.39%        | 28.47%        |               |              |               |               |               |               |               |               |               |
| SHORT BIASED INDEX                | -0.18%                            | 17.55%                             | 1.84%         | -14.35%      | -16.55%       | 25.01%         | 9.53%         | -4.32%        | 10.11%       | -2.38%       | -22.66%       | 15.84%        | 12.81%       | 29.93%       | -9.91%        | -23.30%      | 4.97%         | -16.36%       | -28.47%       | 10.77%       | -4.83%        | -4.66%        | -23.52%       | 36.10%        | 18.12%        | 10.65%        | 19.78%        |
| TECHNOLOGY INDEX                  | 15.39%                            | 25.73%                             | -0.15%        | 11.73%       | 28.25%        | -18.03%        | 18.91%        | 13.11%        | 6.92%        | 4.10%        | 15.63%        | -8.07%        | -1.39%       | 12.44%       | 101.53%       | 44.03%       | 14.08%        | 21.19%        | 37.27%        |              |               |               |               |               |               |               |               |
| TELECOM AND MEDIA INDEX           | 5.56%                             | 11.81%                             | -7.25%        | 8.44%        | 10.75%        | -9.04%         | 8.54%         | 19.89%        | 5.95%        | 4.66%        | 30.30%        | -11.62%       | 7.66%        |              |               |              |               |               |               |              |               |               |               |               |               |               |               |
| VALUE INDEX                       | 11.30%                            | 12.09%                             | -5.24%        | 11.74%       | 26.23%        | -25.73%        | 9.61%         | 12.67%        | 7.98%        | 12.32%       | 23.95%        | -2.92%        | 11.26%       | 3.63%        | 24.58%        | -0.58%       | 26.45%        | 22.64%        | 19.39%        | 1.04%        | 22.29%        | 15.32%        | 19.82%        | 3.44%         | 20.00%        | 20.75%        | 20.12%        |
| <b>HENNESSEE HEDGE FUND INDEX</b> | <b>11.43%</b>                     | <b>11.28%</b>                      | <b>-4.60%</b> | <b>9.89%</b> | <b>25.21%</b> | <b>-19.83%</b> | <b>11.23%</b> | <b>11.40%</b> | <b>7.85%</b> | <b>8.25%</b> | <b>18.78%</b> | <b>-2.89%</b> | <b>4.35%</b> | <b>8.16%</b> | <b>30.77%</b> | <b>1.43%</b> | <b>18.18%</b> | <b>19.07%</b> | <b>17.70%</b> | <b>0.17%</b> | <b>25.69%</b> | <b>15.57%</b> | <b>25.83%</b> | <b>11.97%</b> | <b>24.58%</b> | <b>20.16%</b> | <b>11.99%</b> |
| LONG/SHORT EQUITY INDEX *         | 11.41%                            | 10.82%                             | -4.19%        | 8.81%        | 21.70%        | -18.64%        | 11.79%        | 11.09%        | 6.78%        | 7.77%        | 19.43%        | -6.46%        | 2.89%        | 10.21%       | 33.87%        | 7.29%        | 19.97%        | 18.08%        | 21.11%        | 3.47%        | 20.02%        | 15.74%        | 22.28%        | 11.09%        | 22.69%        | 17.58%        | 14.82%        |
| ARBITRAGE/EVENT DRIVEN INDEX **   | 11.28%                            | 11.13%                             | -2.31%        | 12.05%       | 31.51%        | -20.59%        | 7.36%         | 12.29%        | 5.21%        | 8.47%        | 13.86%        | 2.16%         | 8.99%        | 9.49%        | 19.40%        | 2.66%        | 16.32%        | 18.53%        | 17.75%        | 1.50%        | 22.60%        | 16.55%        | 24.12%        | 11.65%        | 12.90%        | 36.67%        | 7.48%         |
| GLOBAL/MACRO INDEX                | 12.29%                            | 16.82%                             | -8.54%        | 9.72%        | 24.41%        | -20.57%        | 14.88%        | 10.53%        | 14.23%       | 8.72%        | 27.56%        | -1.45%        | 1.50%        | 42.73%       | -12.19%       | 18.30%       | 21.31%        | 9.71%         | -5.51%        | 46.89%       | 16.55%        | 36.66%        | 16.49%        | 41.89%        | 18.37%        | 5.09%         |               |
| S&P 500                           | 7.02%                             | 17.36%                             | 5.52%         | 11.02%       | 24.71%        | -38.49%        | 3.56%         | 13.62%        | 3.00%        | 8.99%        | 26.38%        | -23.37%       | -13.04%      | -10.14%      | 19.53%        | 26.67%       | 31.01%        | 20.26%        | 34.11%        | -1.54%       | 7.05%         | 4.46%         | 26.31%        | -6.56%        | 27.25%        | 12.40%        | 2.03%         |
| DJIA                              | 7.66%                             | 15.11%                             | 7.86%         | 6.56%        | 18.82%        | -33.84%        | 6.42%         | 16.29%        | -0.63%       | 3.15%        | 25.33%        | -16.76%       | -7.10%       | -6.15%       | 25.19%        | 16.11%       | 22.65%        | 26.02%        | 33.46%        | 2.15%        | 13.73%        | 4.15%         | 20.33%        | -4.34%        | 26.96%        | 11.85%        | 2.26%         |
| RUSSELL 2000                      | 6.88%                             | 18.96%                             | -9.90%        | 16.91%       | 25.21%        | -33.79%        | -1.55%        | 18.35%        | 4.56%        | 18.32%       | 45.39%        | -21.57%       | 1.03%        | -4.21%       | 19.64%        | -3.44%       | 20.54%        | 14.78%        | 26.21%        | -3.18%       | 17.01%        | 16.35%        | 43.68%        | -21.47%       | 14.20%        | 22.37%        | -9.34%        |
| NASDAQ                            | 8.71%                             | 29.69%                             | -1.81%        | 26.31%       | 43.89%        | -40.54%        | 9.80%         | 9.51%         | 1.38%        | 8.60%        | 50.01%        | -31.52%       | -21.04%      | -39.28%      | 85.61%        | 39.62%       | 21.64%        | 22.70%        | 39.92%        | -3.20%       | 14.75%        | 15.46%        | 56.86%        | -17.82%       | 19.25%        | 15.41%        | -5.25%        |
| BARCLAYS AGGREGATE BOND INDEX *** | 6.87%                             | 5.53%                              | -5.45%        | 12.79%       | 5.63%         | 5.24%          | 6.96%         | 4.33%         | 2.43%        | 4.34%        | 4.11%         | 10.27%        | 8.42%        | 11.63%       | -0.83%        | 8.67%        | 9.68%         | 3.61%         | 18.48%        | -2.92%       | 9.75%         | 7.40%         | 16.00%        | 8.95%         | 7.88%         | 2.76%         | 15.25%        |

-0.0002

\*Note: Previously named Correlated Index  
 \*\*Note: Previously named Non-Correlated Index  
 \*\*\*Note: Previously Lehman Brothers Aggregate Bond Index

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