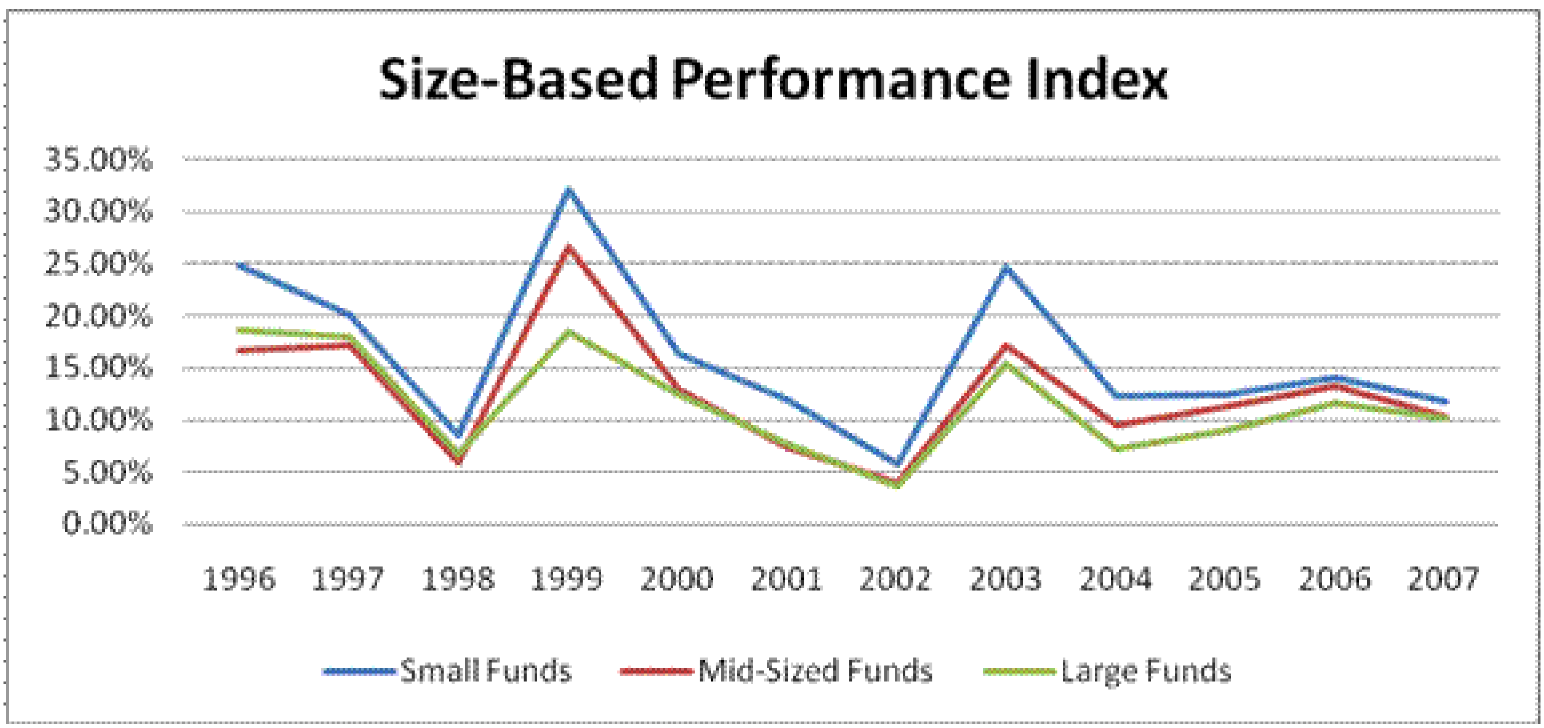
PerTrac Research Confirms That Emerging Hedge Fund Managers Outperform Older, Larger Funds
2007 Study Demonstrates Again the Impact of Age and Size on Hedge Fund Performance

New York – **May 19, 2008** – PerTrac Financial Solutions today announced the results of its updated Emerging Manager Study, originally released in March 2007, confirming again the widely held belief that emerging hedge funds perform better than older, larger funds. The company makes the popular PerTrac Analytical Platform, the world's leading investment analysis and asset allocation software.

"Our original study, released early last year, asserted that smaller, younger hedge funds outperform larger, older hedge funds, based on research spanning January 1996 to July 2006," said Meredith Jones, managing director of PerTrac. "The new study, which includes data through December 2007, confirms the original results." Data was compiled and analyzed using the PerTrac Analytical Platform software application.

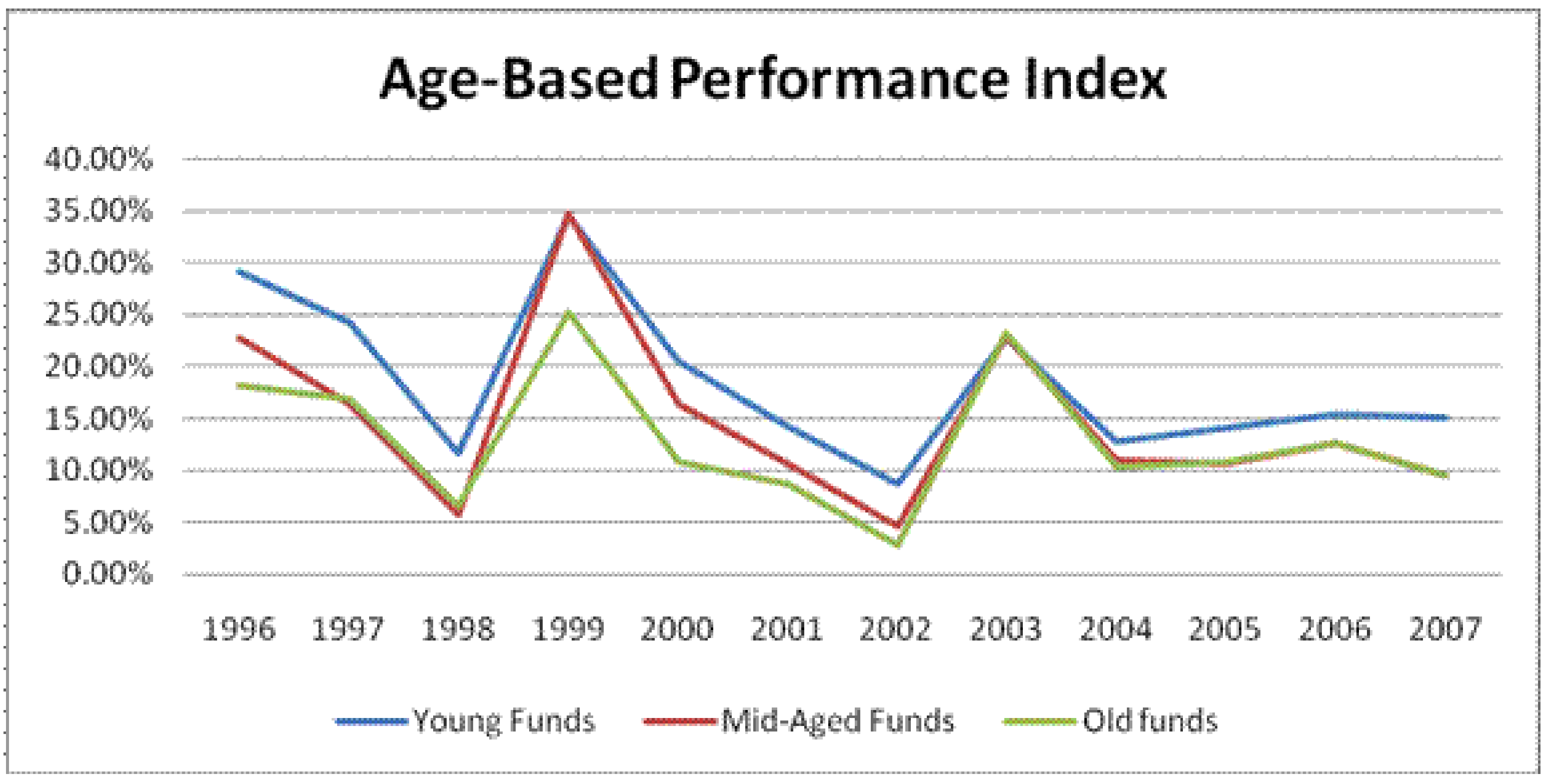
Two different analyses were completed: one based on fund asset size, and one based on fund age. In each analysis, funds were re-categorized each month from January 1996 through December 2007 into one of three size groups: up to $100 million; over $100 million and up to $500 million; and over $500 million. They were also categorized into one of three age groups: up to 2 years; 2 to 4 years; and over 4 years. The mean fund return was calculated for each group in each month, creating three size-based monthly indexes and three age-based monthly indexes. Various risk and return statistics were calculated on the returns of each index to evaluate historical performance while Monte Carlo simulations were run on each index to indicate probable ranges of future returns and drawdowns.

In 2007, the average return of small funds in the index was 11.74%, while the medium-sized and large funds returned 10.27% and 10.22%, respectively. In addition, both the annualized return and annualized standard deviation over the full length of the study, from 1996 through 2007, continue to be greatest for the smallest funds, at 16.01% and 6.17%, respectively. The annualized returns were lowest for the largest funds, at 11.50%, and the standard deviation was lowest for the mid-sized funds at 5.17%. Those statistics suggest that, as funds get larger, monthly returns decrease in magnitude but also become steadier, or less risky.



Annualized Risk Table	Small Funds	Mid-Sized Funds	Large Funds
Compound ROR	16.01%	12.50%	11.50%
Standard Deviation	6.17%	5.17%	5.45%
Semi Deviation	6.23%	4.76%	5.01%
Gain Deviation	4.47%	4.03%	4.29%
Loss Deviation	3.40%	2.42%	2.71%
Down Dev.(10.00%)	3.54%	3.09%	3.39%
Down Dev.(5.00%)	2.93%	2.42%	2.69%
Down Dev.(0%)	2.39%	1.82%	2.08%
Sharpe(5.00%)	1.66	1.37	1.14
Sortino(10.00%)	1.52	0.73	0.4
Sortino(5.00%)	3.43	2.88	2.25
Sortino(0%)	6.26	6.5	5.25

The age-based indexes revealed a somewhat similar pattern. In 2007, the youngest funds returned an average of 15.02%, while the mid-age and older funds returned an average of 9.45% and 9.53%, respectively. On an annualized basis over the full 12-year period, the average return of the young funds was 18.33%, while the mid-age and older funds returned 14.55% and 12.84%, respectively. It is interesting to note, however, that the youngest funds exhibited a similar volatility profile to the older funds, with both groups posting annualized standard deviations of 5.95%. The mid-age index ranked worst of the three on volatility, with an annualized standard deviation of 6.23%.



Annualized Risk Table	Young Funds	Mid-Age Funds	Old Funds
Compound ROR	18.33%	14.55%	12.84%
Standard Deviation	5.95%	6.23%	5.95%
Semi Deviation	5.98%	6.41%	5.74%
Gain Deviation	4.48%	4.50%	4.37%
Loss Deviation	3.48%	3.89%	2.65%
Down Dev.(10.00%)	3.14%	3.80%	3.66%
Down Dev.(5.00%)	2.59%	3.20%	2.95%
Down Dev.(0%)	2.11%	2.66%	2.31%
Sharpe(5.00%)	2.06	1.44	1.25
Sortino(10.00%)	2.35	1.07	0.7
Sortino(5.00%)	4.65	2.74	2.45
Sortino(0%)	8.03	5.13	5.27

"In addition to the original findings, we also sought to investigate the oft-cited phenomena of survivor bias within the groups," said Jones. "This is unfortunately extremely difficult to measure, given that funds stop reporting returns for any number of reasons, including fund closure, poor performance, no longer accepting assets, etc. Instead, we compared the funds that comprised the last index month of the original study with the funds still reporting at the time of the updated study. Of the funds in the original sample, 74.1% of the large funds made an appearance in the updated study indices, compared with 70.8% of the small funds. Therefore, although smaller funds are often accused of displaying higher closure and/or non-reporting rates, the actual difference is relatively small."

The updated study is the latest in a growing body of research produced by PerTrac Financial Solutions for the investment community. The company is devoted to advancing the study of hedge funds and other investments by publishing original research as well as providing free access to their PerTrac Analytical Platform software to academic professors, students, and selected researchers through the PerTrac Educational Use Program.

The research was originally published in the February 2007 issue of the investment journal Derivatives Use, Trading & Regulation (re-titled of as May 2007 to Journal of Derivatives & Hedge Funds). Ms. Jones authored the study, Examination of Fund Age and Size and Its Impact on Hedge Fund Performance.

Additional details on the original and updated study are available from PerTrac Financial Solutions.

About PerTrac
PerTrac Financial Solutions was founded in 1996 with the goal of creating a comprehensive suite of software solutions for investment professionals. The company's flagship product, the PerTrac Analytical Platform, rapidly became the world's leading asset allocation and investment analysis software. Now an industry standard, PerTrac is used by more than 1,700 clients in 50 countries, including banks, brokerage firms, consultants, plan sponsors, family offices, investment managers and funds of funds. PerTrac CMS, which was part of its January 2006 acquisition of Whittaker Garnier, is another major component of the PerTrac Suite. It is the investment industry's leading tool for managing the client relationships and workflow associated with capital raising, investor relations, and investment management, used by nearly 300 alternative investment firms around the world. In January 2008, PerTrac announced the release of PerTrac Portfolio Manager, a unique software application designed to help funds of funds and institutional investors create, monitor and manage multi-manager portfolios of alternative investments. Developed with leading hedge funds of funds firms in both the US and Europe, PerTrac Portfolio Manager is a key element of the PerTrac Suite. PerTrac Financial Solutions is headquartered in New York with offices in London, Hong Kong, Reno, Memphis and Tokyo. For additional information

on the full suite of PerTrac products, please visit www.pertrac.com.