Fusion GLOBAL Volatility

June 2010

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Cayman Islands: No invitation may be made to the public in the Cayman Islands to invest in the Funds.

Fusion Fund (Long Volatility Component) performance: These USD denominated A1 share class figures are net of manager’s fees and costs. They have been prepared by) Citi Hedge Fund Services (Ireland), Limited, the administrator of Fusion Fund, the shares of which are listed at the Irish Stock Exchange.

Performance of the Long Volatility strategy as a subportfolio of Plexus Fund Limited (from May 2007 to July 2008,inclusive) (slide 6): These USD denominated share class figures are estimates and are net of manager’s fees. They have been prepared by Plexus Partners LLP in conjunction with Fusion Asset Management LLP, based on valuations provided by Citi Hedge Fund Services (Ireland), Limited, the administrator of the Plexus Fund Limited. Their accuracy is not guaranteed, though they have been prepared on what is regarded as a reasonable basis. They may be based on information which is provisional or incomplete, obtained from unverified third party sources, and/or reflect particular judgments and opinions as to how a particular asset or liability should be valued.

Benchmark Portfolio for Short Volatility Overlay for back test purposes consists of positions in S&P 500 one month variance swaps, EURUSD, GBPUSD,USDJPY one month variance swaps, one month straddles on 10-Year US Treasury Note futures, one month straddles on iShares S&P GSCI Commodity-Indexed Trust.

The past performance is not a reliable indicator of future results.

Overview

Long-bias volatility strategy designed to deliver consistent positive returns preserving protective benefits of pure long volatility

- Absolute return strategy with 15-20% target return and 6-8% volatility
  - Valuable addition to a diversified investment portfolio
  - Uncorrelated exposure to underlying asset classes
  - Designed to perform in various market environments
- Based on pure long volatility protective strategy with 3 years track record
  - Tested proprietary volatility forecasting models
  - Developed technology for risk monitoring and maintenance of large number of positions
  - Novel Shock Absorber Fee structure designed to protect investors' downside and reduce volatility
- Experienced Investment Manager - Fusion Asset Management LLP (**Fusion**)
  - 6 year track record of quality positive returns in various market regimes
  - Expertise in systematic trading strategies across major asset classes
  - Strong emphasis on capital preservation

Available in fund format or as a managed account

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Investment Strategy

Combination of long volatility portfolio and short volatility overlay sized according to volatility forecast

Long Volatility portfolio component

- Volatility exposure diversified across Equities, FX, Commodities and Fixed Income
- True long volatility: long implied volatility, long realised volatility, long crash protection
- Proprietary quantitative techniques are used for forecast of volatility regimes from daily to monthly horizons
- Trade construction focuses on sourcing cheapest relative volatility to give maximum protection with minimal cost
- Proprietary Automated Trading Platform runs optimal intra-day delta-hedging trading algorithms

Short Volatility overlay

- Volatility exposure in benchmark assets, with size determined by capital allocated in long volatility component
- Benchmark assets: S&P500, G3 FX , US 10y Treasuries, iShares S&P GSCI Commodity-Indexed Trust
- USD gammas proportionate to actual long gamma in respective asset class in Long Volatility component

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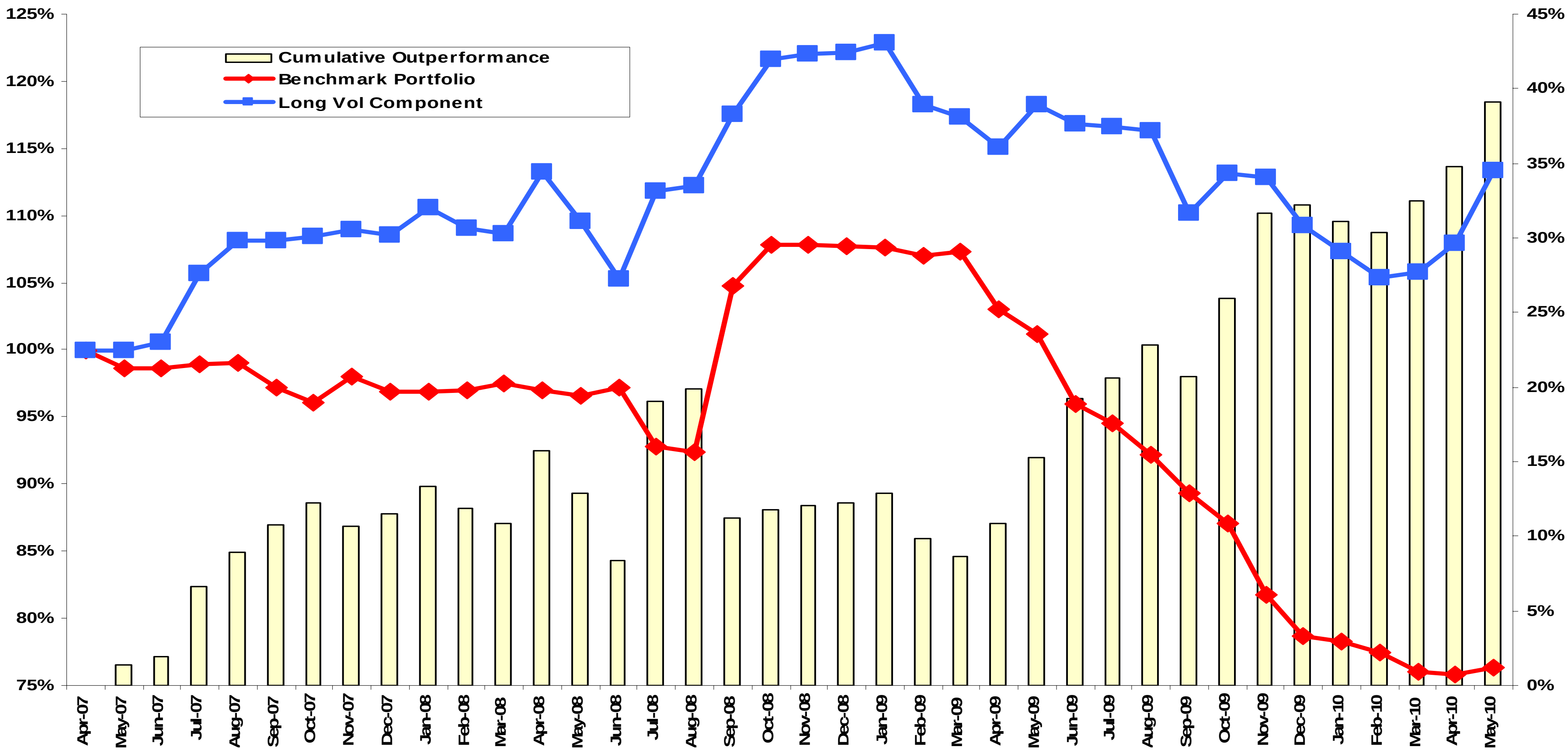
Long Volatility Component– consistent alpha generation

Pure long volatility strategy demonstrates* strong out performance of benchmark volatility portfolio**



*3 year actual trading record

**refer to Disclaimer on page 2

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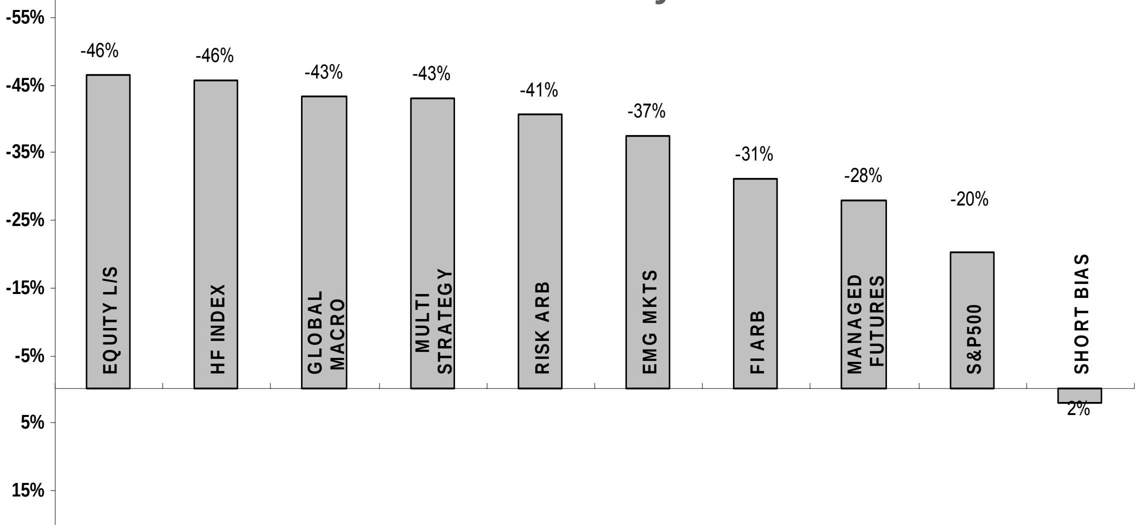
Historical Performance: Long Volatility portfolio

Proven track record in running pure long volatility strategy

Fusion Volatility Strategy*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	-1.70%	-1.82%	0.34%	2.06%	5.78%								**4.55%**
2009	0.57%	-3.71%	-0.80%	-1.89%	2.71%	-1.19%	-0.15%	-0.28%	-5.26%	2.69%	-0.30%	-3.20%	**-10.58%**
2008	1.90%	-1.36%	-0.43%	4.28%	-3.30%	-3.90%	6.25%	0.35%	4.72%	3.45%	0.33%	0.10%	**12.51%**
2007					-0.04%	0.62%	5.06%	2.33%	0.04%	0.21%	0.51%	-0.38%	**8.54%**
LTD													**14.17%**

Correlation of the long volatility strategy with Tremont HF styles



- Significant anti correlation with major hedge fund styles
- Valuable addition to portfolio reducing volatility and improving downside protection

* refer to Disclaimer on page 2

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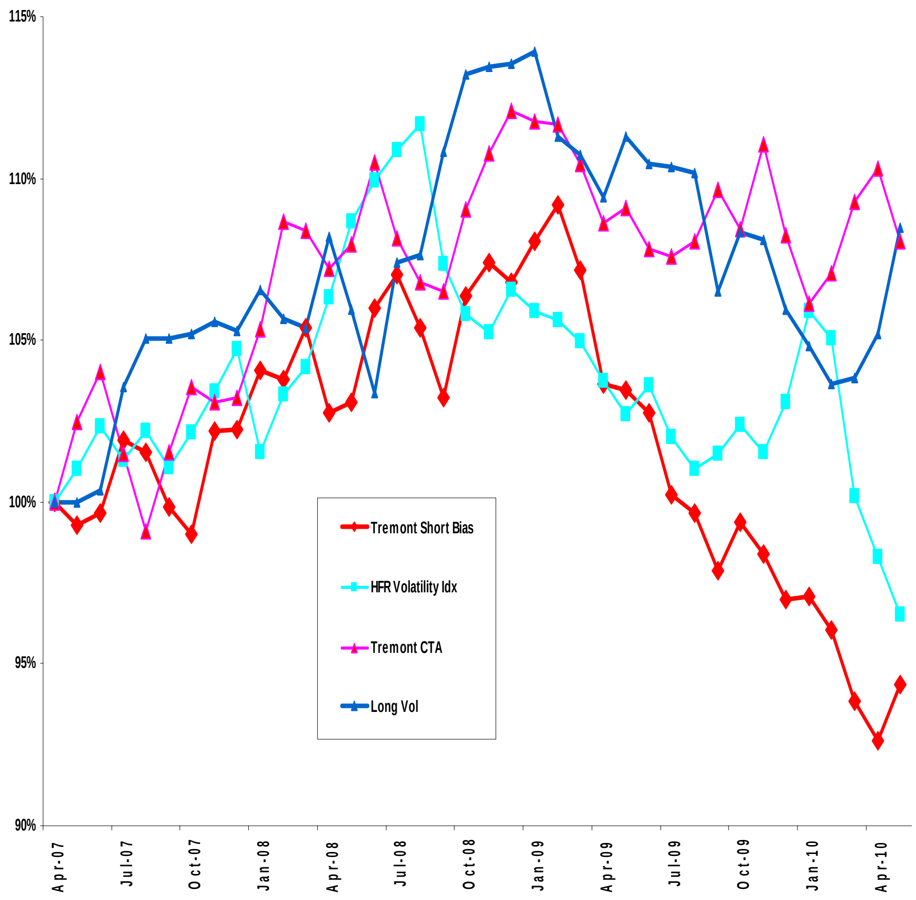
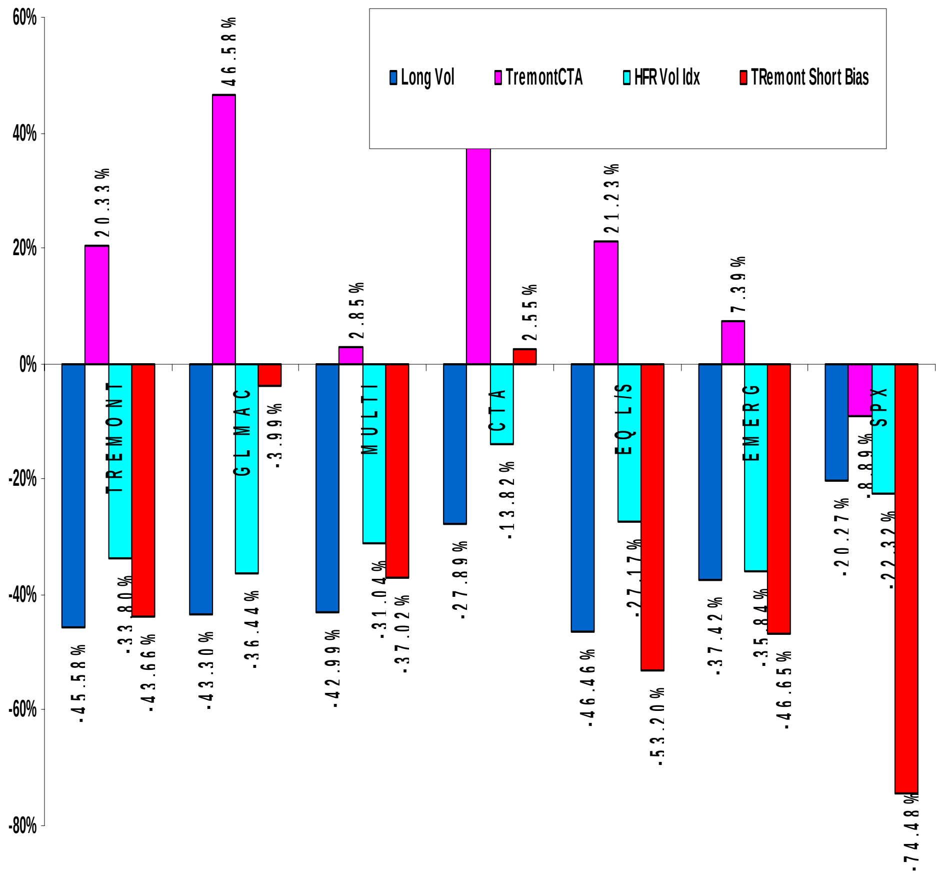
Long Volatility as protective component – comparison

Performance of diversifying strategies which can be used as protective components



Correlations with major HF styles



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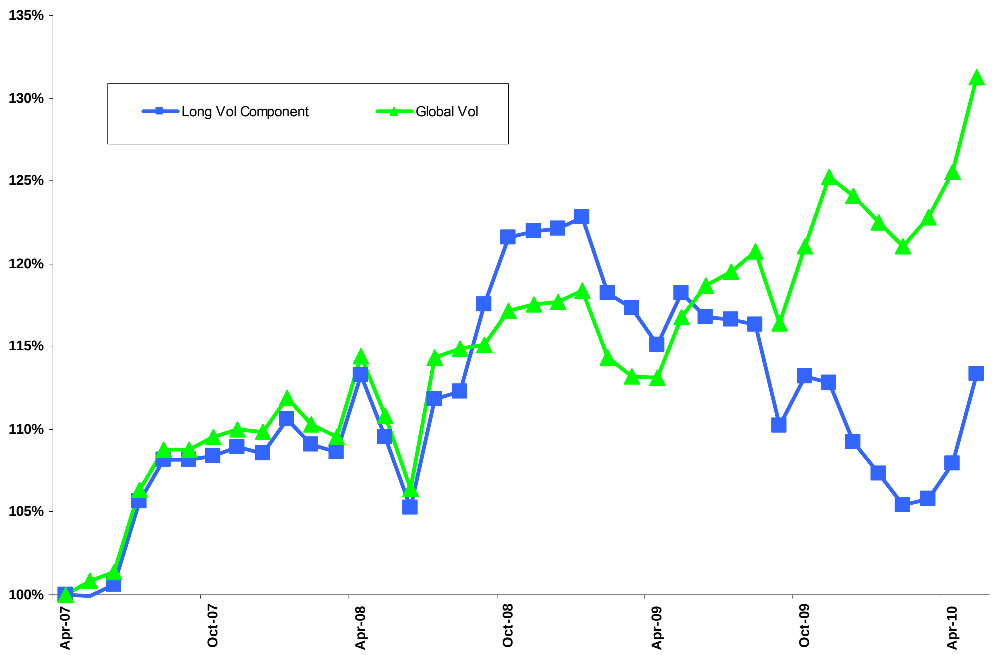
Monetizing Alpha: Long Bias Volatility Strategy

Combining pure long volatility portfolio with short volatility benchmark allows to monetize alpha

Performance of long volatility portfolio vs.
hypothetical long bias portfolio*



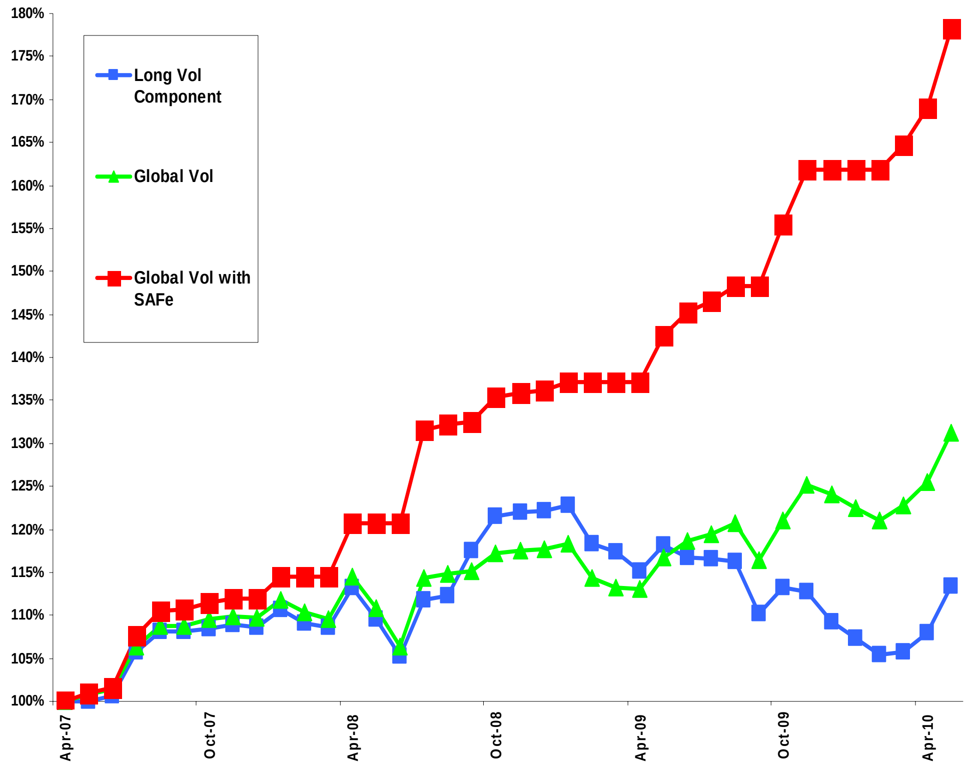
- Combining original Long Volatility Strategy with Short Volatility Overlay via selling benchmark portfolio allows to monetize outperformance
- Free cash in long volatility strategy is used to establish short positions in the benchmarks
- Weights of the benchmarks are changing with capital allocation to long volatility positions

More capital allocated to long volatility positions at all times => Long-bias volatility strategy

* refer to Disclaimer on page 2

Application of SAFe

Application of Shock Absorber Fees improves risk/return characteristics of the underlying investment product



Adjusted for volatility, underlying investment strategy with SAFe historical annualized return is 17% with volatility of 7.4%

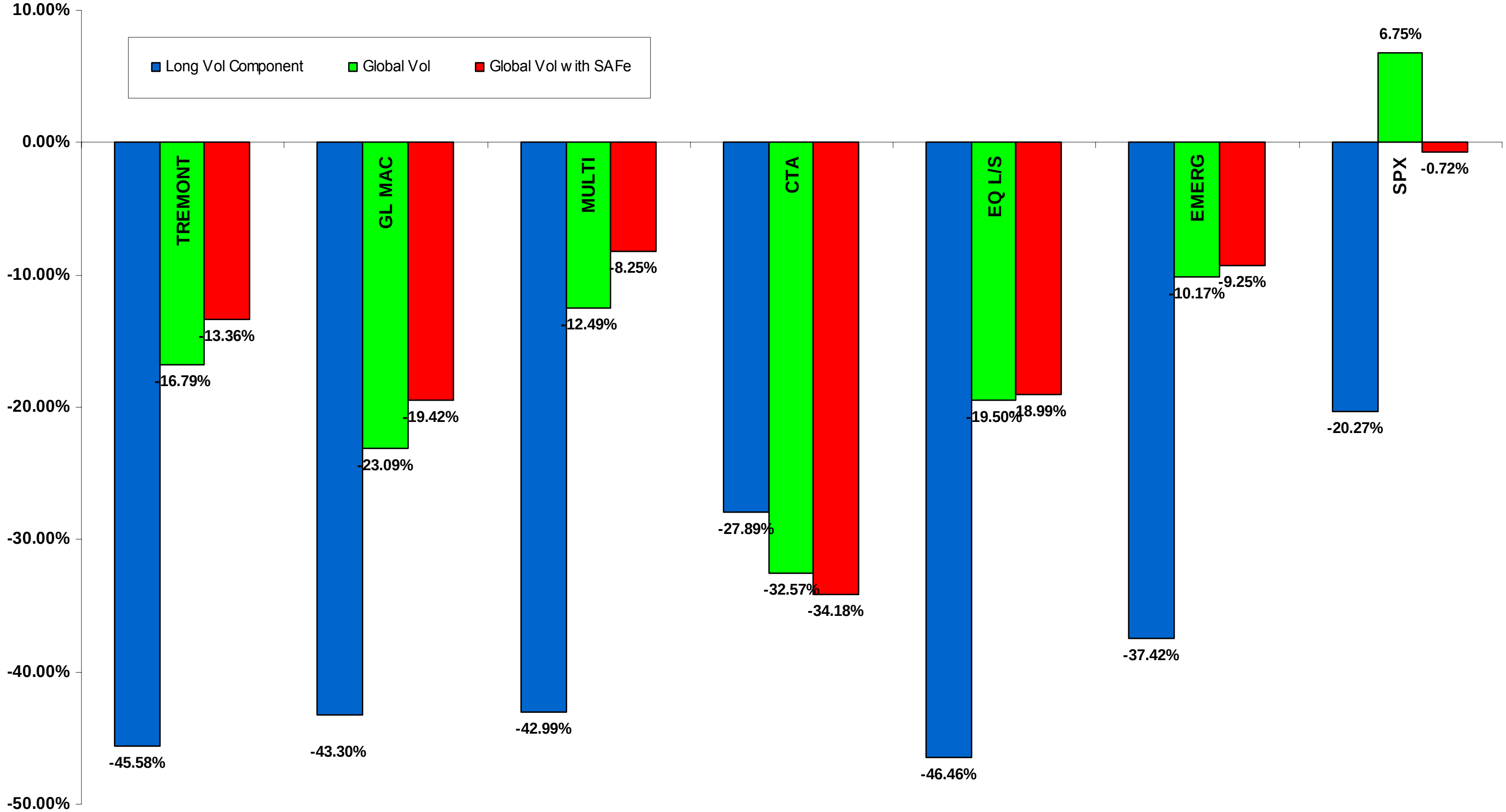
Return/risk ratio 2.3

Shock Absorber Fees parameters: loss compensation 100%, performance fee 60%

Long-bias volatility strategy combines benefits of pure long volatility and positive carry strategies

Source of diversification

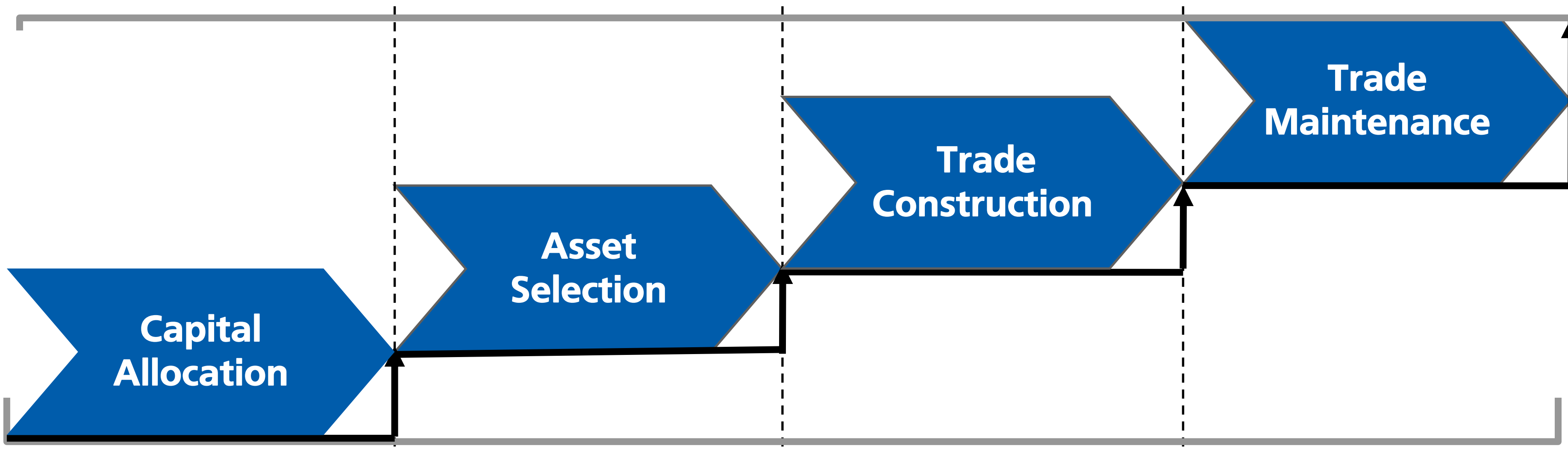
Long Bias volatility strategy demonstrates low to negative correlations with major hedge fund styles



Strategy Investment Process

Long Volatility Component construction

Quantitative approach based on models with proven robustness for different time frames and wide selection of assets



Allocation of capital between long volatility portfolio and short volatility overlay

Identifying assets with highest potential for volatility to spike

Construct trades to maximize exposure in most cost-effective way

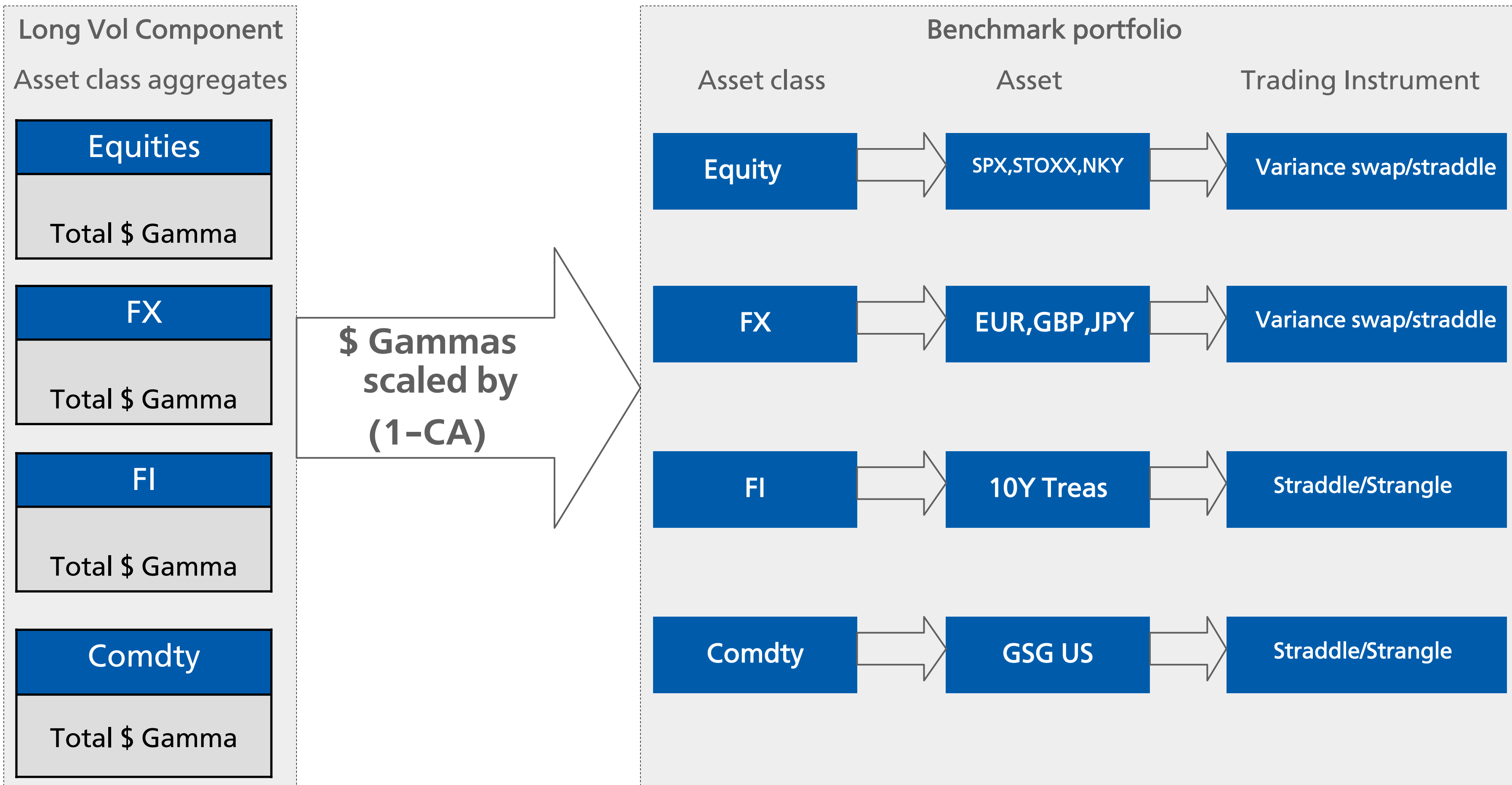
Establish Short Volatility overlay

Implementation of optimal daily hedging strategy and monitoring of existing positions

Strategy Investment Process

Short Volatility Overlay construction

Systematic approach driven by capital allocation and asset selection in Long Volatility Component



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Forecasting Volatility – Backbone of Investment Process

Decision Making Pillars

Quantitative Models

- Non-Parametric Statistical models
  - Based on optimised choice of non-linear transformation of time series
  - Stable performance superior to parametric models (ARCH / GARCH etc.)
- Non-Linear Cluster analysis
  - Efficient algorithm based on Computational learning theory
  - Extracting information from high-dimensional and multi-scale market data
- Technical Models
  - Trend Duration analysis
  - Range / Trend analysis
  - Multi-scale time analysis

Supporting Models

- Sentiment / Positioning
  - Market Positioning
  - Sentiment based behavioural model
- Cross-asset pricing models
  - Equity / Credit and FX / Credit Market Model
  - Risk Premium / Risk Aversion

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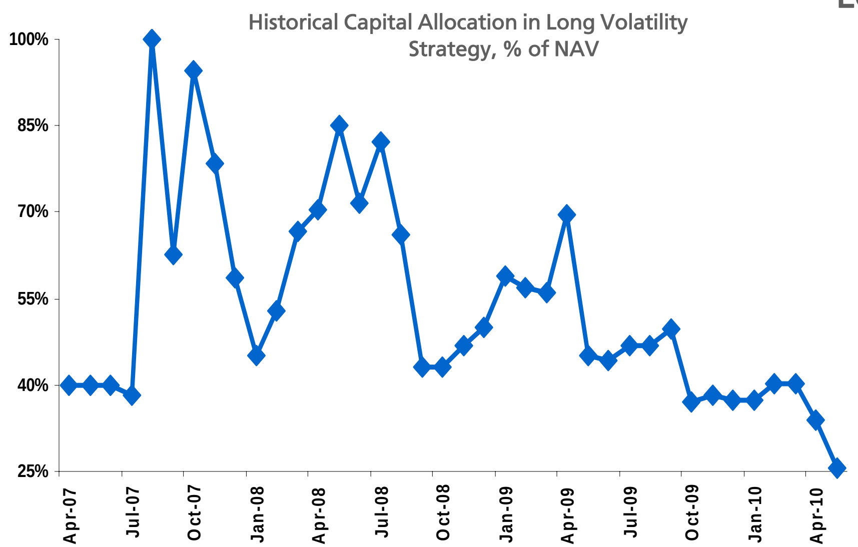
Portfolio Construction and Risk Management

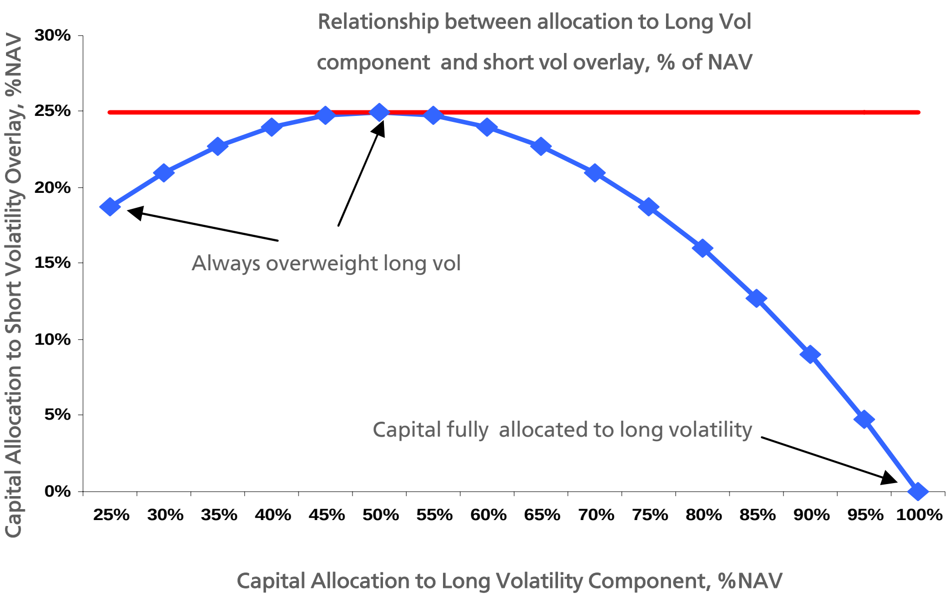


Long Volatility Component

- Minimum 25% of NAV is allocated to long volatility positions at all times
- Invested across at least 2 asset classes
- Total premium invested limited to between 8% and 30% of NAV
- Premium of any one asset cannot exceed 15%
- Risk Limits
    - Vega positive
    - Gamma positive
    - Crash Protection
    - Theta will not exceed 0.2% of NAV per day

Short Volatility Overlay

- The size of overlay is determined by Capital Allocation (CA) to Long Volatility portfolio as (1-CA)*CA
- Invested only in asset classes present in Long Volatility Portfolio
- Risk Limits
    - USD Gamma matched with respective asset classes, than scaled by capital allocated to overlay



Portfolio Construction and Risk Management

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Example of Long Volatility Component
Summary exposure, % of NAV*

Asset	Capital	Gamma	Vega	Theta
G10 EQ	9.4%	2.6%	0.6%	-0.09%
G10 FX	0.7%	1.0%	0.5%	-0.0%
EM FX	11.7%	1.7%	0.4%	-0.02%
FI	15.8%	21.0%	0.2%	-0.03%
Commodity	2.6%	2.0%	0.1%	-0.01%
LVC TOTAL	**40.2%**	**28.3%**	**1.8%**	**-0.15%**

Hypothetical allocation to Short Volatility Overlay, corresponding to above exposures in Long Volatility

Asset	Capital	Gamma
EQUITY	5.62%	-1.55%
FX	7.42%	-1.61%
FI	9.45%	-12.56%
Commodity	1.55%	-1.20%
SVO TOTAL	**24.04%**	**-16.92%**

* Exposure snapshot taken from Fusion Volatility Fund Investor Letter (February 2010)

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Shock Absorber Fees (SAFe)

Application of SAFe fees further improves quality of the investment for the investor

Investor

Stable Positive Return

SAFe enhanced return

Capital

SAFe fees features:

- Transfer of risk from investors to the manager through recourse to the manager's performance fees
- Asymmetric nature of the recourse when manager is covering larger percentage of loss than he is receiving in gains
- Dynamical nature of the exposure when the amount of protected exposure is linked to the fees already accumulated

SAFe+

Underlying Strategy

Any investment strategy

100% of return if negative

Performance Fee

SAFe Account

Provides capital protection secured by performance fees

SAFe structure is best suited for investment strategies with systematic risk premium extracting component, which generates steady returns most of the time, but suffers badly from sudden change in the risk appetite or technical dislocations

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SAFe Implementation

Investor

- Receives stable positive return

SAFe enhanced return

Capital

SAFe + Structure

Underlying Strategy

Any investment strategy

Negative Performance Compensation

Strategy loss over a period of time is compensated from SAFe Account

Dynamic Exposure

As the balance of SAFe grows, the exposure of the underlying strategy can be adjusted to reflect the additional protection given by SAFe balance

Manager

- Provides additional protection to the investor while invested with the manager
- Manager receives higher performance fees

Performance Fee

SAFe Account

- Provides protection to the Fund secured by performance fees
- Allows the investor to benefit for managers accumulated performance fees

Summary

- Absolute return strategy suitable for wide range of investors
- Compelling addition to a portfolio
  - Stable positive performance in all market environments
  - Uncorrelated returns versus underlying markets
  - First losses are absorbed by the manager to the extent of accumulated performance fee
- Years of trading experience, proprietary research and infrastructure development

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Fusion Asset Management

- Experienced Manager
  - Six year track record of quality positive returns in various market environments
  - Expertise in successfully running systematic trading strategies
  - Strong emphasis on capital preservation
- Balanced Team
  - 14-strong team with many years of trading and risk management experience
  - Constantly striving for excellence to increase value for clients
  - Strong academic backgrounds
- Robust Infrastructure
  - Fully automated execution and robust operations
  - Ongoing investment in systems
  - Dedicated IT and R&D teams

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Fusion Products & Services

Investment Products

- **Fusion Long Volatility Strategy** - long-only options strategy, investing across all major asset classes and designed to deliver consistent positive returns during periods of market stress and corrections
  - Three years track record
  - Valuable addition to diversified investment portfolio
  - Available as investment in the fund or as managed account
- **Fusion LIBOR+450** - Systematic cash management strategy designed to deliver consistent positive return with target LIBOR+450 and 2-3% annualised volatility
  - Fusion manages its investments cash reserves in the program since January 2009, total return +6.8%
  - Strategy trades only in G10 currencies, offers daily liquidity and provides full transparency
  - Available as managed account or investment in a share class of the fund

Advisory Services

In its advisory capacity Fusion uses its investment talent, research and experience to provide our clients with advice in construction of tailor-made portfolios, specialized hedging strategies and complex specialty financing transactions

- **Fusion Hedge Overlay Program** – Outsourcing investors' tactical portfolio hedging to an experienced asset manager with a proven track record in managing complex risks
  - Program is run for large Fund of Hedge Funds since April 2009
  - Option to utilise Fusion LIBOR+450 for unencumbered cash
  - Available as investment in a share class of the fund

Additional Information

Detailed presentation with models, methods and trade examples is available on request

Additional information can be requested from

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