



Share Class C: USD 718.14

December 2015

Pulsar Emerging Markets is a systematic equity fund that invests in emerging market equity indices and currencies. An options overlay is used to protect against sharp corrections and shifts in risk appetite.

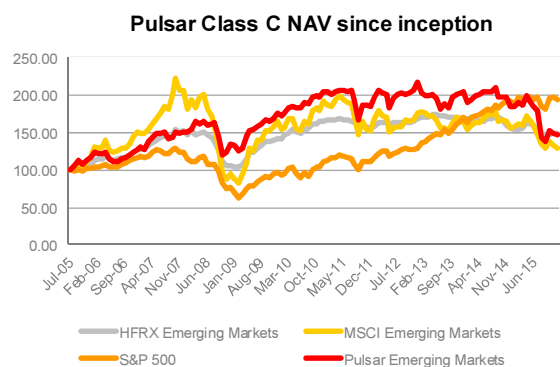
Monthly ROR in % \*

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YEAR
2005								0.19	6.24	-4.81	5.60	2.65	9.83
2006	6.50	-1.61	0.06	1.44	-6.89	-4.12	0.01	2.94	2.68	3.39	2.51	2.78	9.34
2007	2.64	-1.93	7.36	3.64	4.01	0.84	1.23	-6.25	0.78	5.70	-1.92	1.69	18.45
2008	-0.22	2.99	6.28	-2.53	2.75	-3.29	1.37	0.97	-11.62	-16.32	1.86	9.32	-10.83
2009	-1.42	-5.21	3.17	12.59	4.10	1.33	2.11	2.75	3.25	-1.55	2.10	4.28	30.01
2010	-1.34	1.99	4.38	0.30	-0.63	-0.16	3.74	-0.24	4.36	0.52	-0.70	3.34	16.44
2011	0.00	-0.92	0.93	1.68	-0.64	-0.24	0.91	-6.58	-13.72	12.14	-0.65	-0.70	-9.32
2012	7.27	3.83	-1.21	-1.31	-8.40	6.66	2.27	1.32	-0.96	0.98	1.97	4.69	17.37
2013	-6.30	-2.37	0.12	1.53	-2.68	-7.74	3.82	-2.48	7.27	2.57	0.45	1.02	-5.63
2014	-7.41	2.41	2.48	0.95	1.71	0.24	0.34	2.64	-6.45	0.37	-0.40	-6.09	-9.53
2015	-0.54	3.57	-2.29	6.41	-4.36	-2.56	-2.50	-20.41	-3.35	9.73	-2.37	-1.29	-20.84

\* Until Jan 2011 returns are based on the performance of the Pulsar Class A Segregated Portfolio (ISIN KYG7303Y1070). Returns are net of all fees, including management and performance fees.  
Source: CrossBorder Capital

Performance Statistics

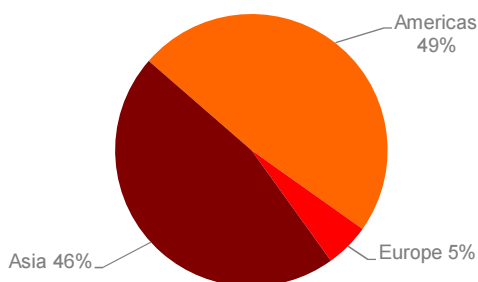
	1 month	Last 3 months	Year to date	Last 12 Months	Last 36 months	Since Inception
<b>Return (%)</b>	<b>-1.29</b>	<b>5.75</b>	<b>-20.84</b>	<b>-20.84</b>	<b>-32.41</b>	<b>3.70</b>
HFRX EM Composite	-0.72	0.27	-5.02	-5.02	-12.25	3.81
MXEF	-2.48	0.25	-16.98	-16.98	-25.89	2.51



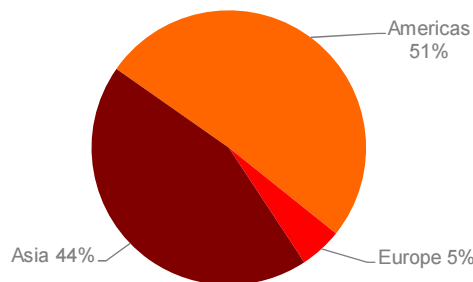
<b>Standard Deviation (%)</b>	<b>25.32</b>	<b>17.97</b>	<b>16.76</b>
HFRX Emerging Markets	7.55	5.92	10.48
MXEF	17.81	14.25	23.53
<b>Maximum Drawdown (%)</b>	<b>-30.11</b>	<b>-36.09</b>	<b>-36.09</b>
HFRX Emerging Markets	-9.52	-15.62	-32.55
MXEF	-24.41	-27.21	-62.67
<b>Sharpe Ratio (X)</b>	<b>-0.82</b>	<b>-1.83</b>	<b>0.11</b>
HFRX Emerging Markets	-0.67	-2.16	0.18
MXEF	-0.95	-1.85	0.03
<b>Sortino Ratio (X)</b>	<b>-1.04</b>	<b>-2.08</b>	<b>0.12</b>
HFRX Emerging Markets	-1.14	-2.87	0.25
MXEF	-2.05	-3.06	0.03

Source: CrossBorder Capital / Datastream

Long Allocation at December 31 2015



Long Allocation at September 30 2015



Source: CrossBorder Capital

THE OFFICIAL NAV WILL BE SUPPLIED BY THE ADMINISTRATOR  
PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS



**CrossBorderCapital**  
Implementing Insight



Share Class C: USD 718.14

December 2015

## Monthly Analysis

Pulsar C returned -1.29% in December. We have been a bit early in adding to commodity-producing countries such as Brazil and Russia. Energies continued to get pummeled, with front-month WTI futures returning -14.12% for the month. On the positive side, we profitably traded around our core hedges in December. We managed to exit a significant long position in VIX call spreads as the index surged above 20. Our view is that we are in a range-bound but slightly bearish market, given slow growth rates and the gradual reduction of easy money in the US. However, there has been no defining credit event, so we will continue to trade around our positions on the long and short side.

## Hedging Instruments

VIX Call Spreads, Long SPX Skew, Long-Dated ESTOXX Puts, EEM Put Spreads

## Investment Outlook: Risk Off ... Waiting For a Policy Change

The recurring 8/9 year pattern of market crises – 1973/74, 1980/81, 1989/90, 1997/98 and 2007/08 – threatens to repeat again in 2016. US liquidity is falling and pan-Asian liquidity remains weak. Only the Eurozone can boast strong liquidity conditions, and here the sizeable interventions of the ECB mean that the Euro will likely stay under downward pressure. Our three overriding concerns centre on: (1) the implications of still huge Chinese capital outflows (US\$146 billion for December) for the Chinese markets and Asian economies; (2) the persistent weakening in US corporate cash flow with its negative implications for credit spreads, share buy-backs and economic activity, and (3) the further risks to general market liquidity associated with the Fed's US rate hike and step-up in reverse repo activity (US\$572 billion 6th January).

## Fund Details

<b>Corporate:</b>	Cayman OEIC	<b>USD Class</b>	ISIN: KYG7303Y1567 CUSIP: G7303Y 156
<b>Dealing:</b>	Monthly purchase and weekly redemption (5 business days notice)	<b>EUR Class</b>	ISIN: KYG7303Y1641 CUSIP: G7303Y 164
<b>Minimum:</b>	USD 100,000	<b>GBP Class</b>	ISIN: KYG7303Y1724 CUSIP: G7303Y 172
<b>Fees:</b>	Management Fee: 2% p.a.; Performance Fee: 20% over high watermark	<b>CHF Class</b>	ISIN: KYG7303Y2227 CUSIP: G7303Y 222
<b>Administrator</b>	SEI Investments - Global Fund Services Ltd		
<b>Auditor</b>	KPMG Bermuda		

## Contact Details

London : (44) 20 7868 4104

David Straker-Smith  
[dss@liquidity.com](mailto:dss@liquidity.com)

Peter Pejacsevich  
[pp@liquidity.com](mailto:pp@liquidity.com)

William Bourne  
[wb@liquidity.com](mailto:wb@liquidity.com)

Bermuda : (1) 441 295 3294

James Barton  
[jbarton@ibl.bm](mailto:jbarton@ibl.bm)

CROSSBORDER CAPITAL LTD, 2016. ALL RIGHTS RESERVED©

REGULATED BY THE FCA

MARBLE ARCH TOWER, 55 BRYANSTON STREET, LONDON W1H 7AA

TELEPHONE (44) 20 7868 4104 , 0870 427 1700 / FACSIMILE (44) 20 7868 4118

CROSSBORDER CAPITAL BERMUDA LIMITED

REGISTERED AT THE BMA

2 RED STREET, HM11, HAMILTON, BERMUDA

TELEPHONE (1) 441 295 5588 / FACSIMILE (1) 441 295 5578

This document has been produced for the sole purpose of constituting a communication made to persons who have professional experience in matters relating to investments and who are investment professionals as specified in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of CIS) Order 2001 (the "Order")(known as "Relevant Persons").

This document is therefore being communicated on the basis that it is exempt from the restriction on the promotion of unregulated schemes and its contents have therefore not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000. This is on the grounds that this document is being made to Relevant Persons only and these Relevant Persons being persons having professional experience in matters relating to investments or persons to whom it may lawfully be promoted. Please be minded that anyone who does not fall within this category of investor should not take any action in reliance upon this document.

For the avoidance of doubt it is not intended that this fund be marketed to onshore US investors.

THE OFFICIAL NAV WILL BE SUPPLIED BY THE ADMINISTRATOR  
PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS