



Newsletter – March 2009

The anticipated recovery to which we alluded in recent newsletters bore fruit in earnest in March, with the Fund gaining +7.13 % in the month on volatility of 15.5%.

Gains were fairly balanced across the region, with all countries contributing except Japan, India and Singapore, and were driven primarily by our core positions in the low-cost PC, medical laser, optical fiber and photovoltaics areas. Despite further long-alpha generation in March and despite having substantially reduced our short exposure at the earliest stages of the rally, a late-month rebound in key remaining short positions reined in the overall monthly performance.

Positive momentum continues in April as of this writing, and based on our channel checks it appears that the recovery can stretch at least into May/June in most key technology verticals including IT hardware, semiconductors and displays. Looking beyond near-term momentum, catalysts such as the planned mid-year launch of Windows 7, the Intel CULV platform ramp, and the netbook phenomenon could further fuel momentum in the PC space, while secular momentum in LEDs continues to build meaningfully. Furthermore, indications of additional Taiwanese opening to mainland China, including unprecedented moves to allow mainland Chinese investment in key Taiwanese industries including the renewable energy space, could provide added impetus to the ongoing recovery in Taiwan. As some of our strategies have already begun to discount a substantial amount of good news, we are preparing to trim into strength in some of those positions as the recovery matures. On an administrative note, our flows appear to have stabilized and firm-wide we have started to see some small inflows.

BLACKHORSE EARLY-STAGE TECHNOLOGY FUND

The investment objective of The Blackhorse Early-Stage Technology Fund ("The Company") is to seek long-term capital appreciation by investing into a portfolio of Asian technology companies. These investments are in equities that are listed, but investors also have the option to invest in a special Fund share-class that invests in unlisted equities which have the potential for eventual listing. The Company also has the ability to short stocks believed to be overvalued. At the Investment Manager's discretion, the Company may also invest into open- or closed-ended funds or other vehicles consistent with the investment objective of the Company. The Company primarily invests in technology companies in Japan, Korea, Taiwan, Singapore, Hong Kong, China, Malaysia, Thailand, and India, or in companies listed in other markets that have significant exposure to the Asian technology sector.

MANAGER
Jonathan Ross, CFA

GENERAL INFORMATION⁴

Management fee: 1.75%
Performance fee: 20%
Currency: US Dollar
Min investment: US\$ 100,000
Subscription: Monthly
Redemption: Monthly
Lock-up: One year soft
Prime broker: Goldman Sachs
Administrator: Fortis
Firm Assets⁵: 118mn

FUND DETAILS

Month Return: 7.13%
Month Volatility: 15.5%
Fund Assets: 11mn
Net Exposure: 65%

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HISTORICAL RETURNS¹

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Y-t-d
2006	--	7.69	2.36	10.57	4.77	-6.07	-0.62	7.31	10.68	0.81	12.43	12.06	79.82
2007	-4.91	2.65	21.94	4.77	23.40	5.45	6.77	-12.34	-2.55	-0.36	-6.19	-0.84	37.17
2008	-9.45	10.36	-3.46	5.96	0.93	-7.31	0.14	-4.12	-13.29	-2.00	-3.13	-3.80	-27.28
2009	-0.07	2.08	7.13										9.28
Since Inception :													96.01

ASSET ALLOCATION (month average)

Country	Long	Short	Net
HK/China	11%	-3%	8%
Taiwan	60%	-12%	48%
South Korea	12%	-4%	8%
Singapore	0%	0%	0%
Philippines	3%	-2%	2%
Japan	0%	-2%	-2%
India	1%	0%	1%
Total	88%	-23%	65%

Sector	Long	Short	Net
Alternative Energy	4%	0%	4%
Communications	19%	-2%	16%
Consumer Electronics	5%	0%	5%
Display	10%	-3%	7%
Internet	2%	-3%	0%
IT Hardware	10%	-3%	7%
Others**	10%	-11%	-1%
Semiconductor	28%	-1%	28%
Software	0%	-1%	-1%
Total	88%	-23%	65%

** includes options and futures

PORTFOLIO STRUCTURE

Long Portfolio			
Market Cap (USD)	NAV	# of companies*	
More than 1bn	6%	4	
250mn to 1bn	5%	5	
Less than 250mn	77%	33	
Total	88%	42	

Short Portfolio			
Market Cap (USD)	NAV	# of companies*	
More than 1bn	-8%	7	
250mn to 1bn	-2%	4	
Less than 250mn **	-13%	6	
Total	-23%	17	

** includes options and futures

Top 5 positions as % of NAV *	39
Top 10 positions as % of NAV *	51

% of invested portfolio able to liquidate in 3 days ² *	62
% of invested portfolio able to liquidate in 3 days under stress ³ *	55

* as at end of the month

PERFORMANCE STATISTICS

	Blackhorse Early-Stage Technology Fund	MSCI AC ASIA INF TECH (MXAS0IT)
Month Return (%)	7.13	13.25
Month Volatility (annualized %)	15.5	35.3
Return year-to-date (%)	9.28	0.55
Cumulative since inception (%)	96.01	-44.28

(1) Returns prior to July 1st, 2007 are based on the performance for Grayhorse Limited, an actual portfolio managed in the same style as Blackhorse Early-Stage Technology Fund (BEST) though without short exposure, indexed for comparison purposes only. No management or performance fees have been charged prior to July 1st, 2007. The performance fee is calculated with reference to a "high watermark". The Fund's portfolio is valued monthly using trade-date and accrual accounting methods for the calculation of the Fund's NAV. Audited through June 30th, 2007. Monthly figures not audited. Past performance is not indicative of future performance.

(2) Based on one-third of average 30-day trading volume.

(3) Assuming market volume falls by 80%

(4) This document does not constitute an offering of the Fund, which can only be made to qualified investors by means of the private placement memorandum, which describes, among other things, the risks of making an investment in the Fund.

(5) After performance fees; Includes US\$4mn in The Blackhorse Asia Fund (BAF NT), \$0.5mn in a segregated account managed in the same long/short style as BAF NT, US\$82mn in our long-only absolute return product, The Blackhorse Emerging Enterprises Fund, US\$21mn in The Blackhorse Enhanced Vietnam Inc. (BEVI), and US\$11mn in The Blackhorse Early-Stage Technology Fund.