



April 14, 2010

TSR Newsletter / 1Q2010 / Quarterly Review

Dear Investors and Friends,

This is the first quarterly newsletter of 2010 in addition to our monthly performance numbers of the model portfolio.

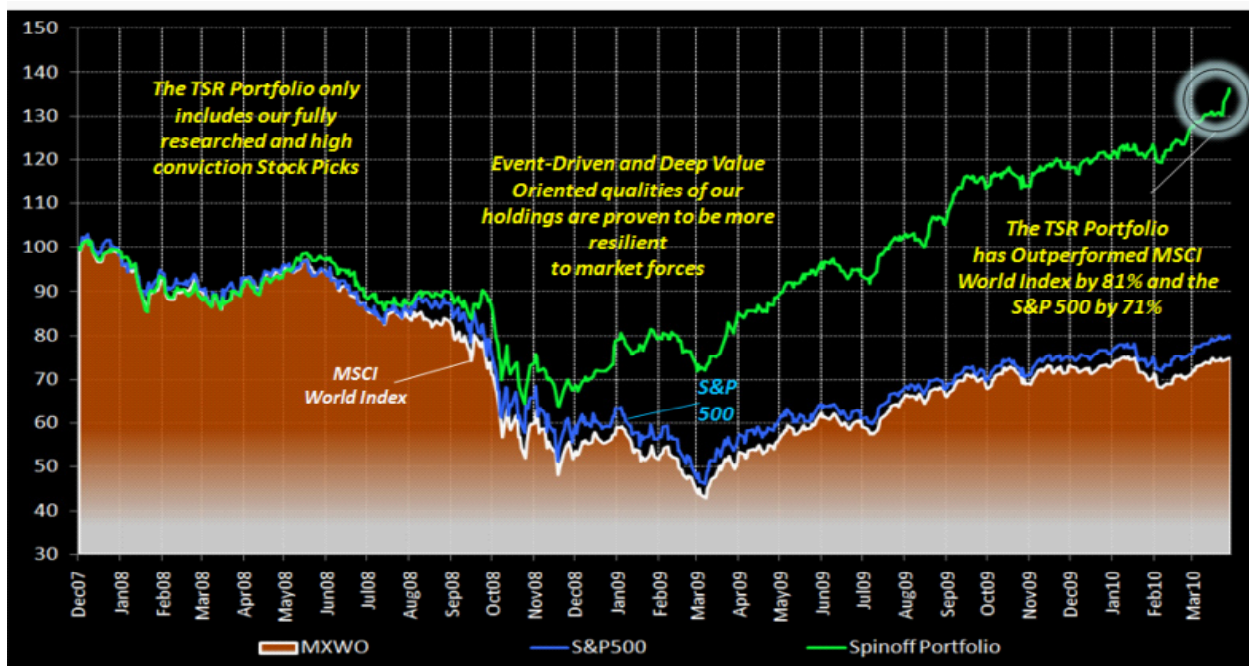
Portfolio History

The TSR model portfolio fund is a paper portfolio that is technically constructed to mirror a 'real and live' portfolio with investor funds. The Fund's holdings are weighted and contain the corresponding amounts of shares. The Fund was launched in December 2007 with a nominal USD\$100m. Paid subscribers of our main flagship research product have access to the constituents, history as well as the ability to monitor when we decide to include, exclude and buy and sell different names.

Performance Summary

Performance over the last quarter has been good. A number of positions reached our target price and hence came out. A number of new ones entered. As an example, we still maintain that Madison Square Garden (MSG), which spun off from Cablevision (CVC) earlier in the year, being one of our major conviction calls, to be a good quality bet. Among many catalysts, we believe it is only a matter of time before MSG's trophy assets are recognised by the market. Along with the incentives that the Dolans have given themselves (...love them or hate them?) we continue to believe this a worthy investment for the year ahead.

Performance as at: March 31 2010

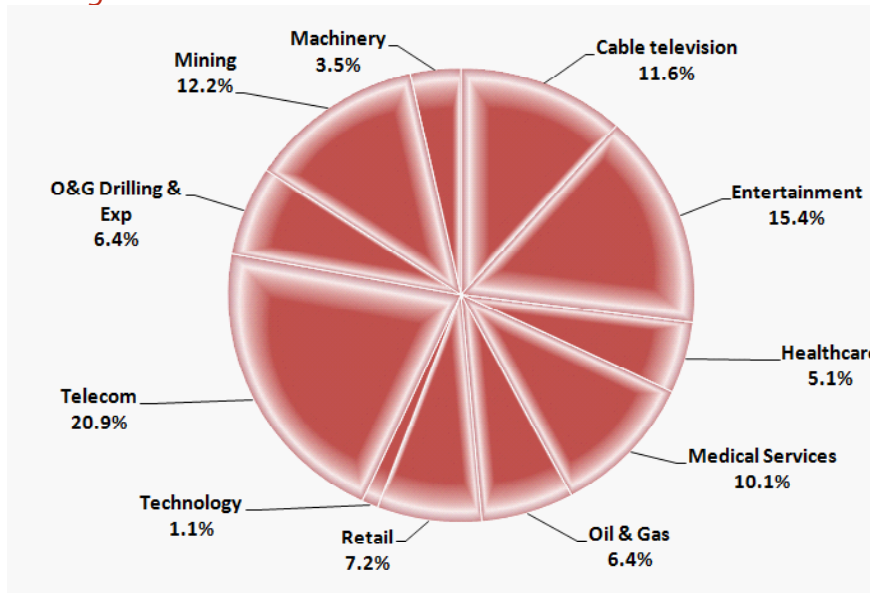




Fund vs. Indices	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Mar 09 > Mar 10
TSR Portfolio	8.7	7.9	5.8	1.0	7.6	4.6	8.5	-1.4	3.6	2.4	0.5	2.5	10.9	88.1
<i>Indices</i>														
Morgan Stanley World Index (MXWO)	7.2	10.9	8.6	-0.6	8.4	3.9	3.8	-1.8	3.9	1.7	-4.2	1.2	5.9	68.2
S&P500 US	8.5	9.4	5.3	0.0	7.4	3.4	3.6	-2.0	7.0	0.6	-3.7	2.9	5.9	66.9

The Fund's NAV increased by 10.9% in March, making it the best single monthly performance during the past 12 months and the portfolio has touched a new high. The Fund has reshuffled its portfolio bringing in six new companies and taking out eight companies. The Fund currently holds 14 constituents.

Portfolio Sector Weights



Strategy

We see a number of newly announced Spinoffs in Asia and in the US and Europe, resulting in a healthy pipeline. There are currently over 30 situations that meet our 'tradable size' criteria. Most are from traditional based companies, with the Engineering and TMT sector standing out. Comparably, these are the companies that historically do well in the Spinoff space. This is opposed to many Financial companies last year, where the parents were desperate to get rid of their financial holdings. Some have performed very well indeed. Take a look at Altisource Portfolio Solutions (ASPS) spun off from Ocwen Financial (OCN) in August 09. A dog of a stock. Who would want to buy a real estate and mortgage portfolio management company? The stock first traded at 10.90. Now it's at 24.50. A 125% increase in 8 months. Not bad.

In essence, we are looking forward to an continued exciting year ahead, where over 30 Global Corporate Spinoffs are on the calendar, a significant increase over 2009.



Risks

The risks remain to the downside. It's worth noting that a portfolio of Spinoffs is inherently dumped in times of investor madness and potentially our portfolio could fall a long way without any hedging in place. However, having said that, historically, they more often than not make some of the best investments after the natural *Mr Market* clearout. We remain cautious and consider adding hedging to our portfolio for any potential downside move.

Please feel free to email me directly if you would like to find out more about our offering and if we can be of any further help with your investment interests.

Yours Sincerely,

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