

## Media Release

### The Best and the Worst of It: Hedge Funds Break Records in October

New York, November 11, 2008 **This October is poised to be the worst month in history for Fixed Income Arbitrage managers, while the Managed Futures sector posts its best return of the year.**

The Fixed Income Arbitrage sector suffered significant losses to finish down an estimated 18% for the month. Prior to October, the worst month on record\* for the Fixed Income Arbitrage sector occurred in October of 1998, when funds posted a negative 6.96% return. Many Fixed Income Arbitrage managers are still holding inventory in mortgage-backed securities and corporate bonds, which has materially impaired their ability to generate returns in this illiquid market environment.

Conversely, the Managed Futures sector capitalized on short equity, short commodities and long US dollar positions to generate its best monthly return this year and positioning it as one of the two positive performing sectors in October.

Early estimates indicate that the Credit Suisse/Tremont Hedge Fund Index was down approximately 5% in October, as extreme market volatility and extraordinary government intervention created a difficult trading environment. Estimates are based on 61% of assets reporting; final October performance will be reported November 17<sup>th</sup> on Bloomberg and online at [www.hedgeindex.com](http://www.hedgeindex.com).

Index	October 2008	Year to Date
<b>Credit Suisse/Tremont Hedge Fund Index</b>	<b>-5.25 %</b>	<b>-9.86%</b>
Convertible Arbitrage	-10.70%	-19.45%
Dedicated Short Bias	8.75%	3.40%
Emerging Markets	-15.36%	-18.07%
Equity Market Neutral	-0.96%	1.67%
Event Driven	-2.99%	-9.31%
Fixed Income Arbitrage	-17.75%	-11.57%
Global Macro	-4.61%	-2.07%
Long/Short Equity	-7.24%	-13.28%
Managed Futures	5.28%	6.69%
Multi-Strategy	-8.09%	-12.63%

Confirmed performance for the Credit Suisse/Tremont Hedge Fund Index and its ten sub-strategies is calculated monthly and is available at [www.hedgeindex.com](http://www.hedgeindex.com).

\* Since inception of the Credit Suisse/Tremont Hedge Fund Index in January 1994.



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For a complete description of the Credit Suisse/Tremont Hedge Fund Index, please see the index rules available at [www.hedgeindex.com](http://www.hedgeindex.com).

Credit Suisse Tremont Index, LLC is the joint venture company of Credit Suisse Index Co., Inc., a subsidiary of Credit Suisse Co., Inc., and Tremont Group Holdings, Inc. Credit Suisse Tremont Index LLC is headquartered at 11 Madison Avenue, New York, NY 10010-3629.

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