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# GREENWICH-VAN ABSOLUTE RETURN FUND

## Geared Hedge Fund Participation Note

# Note Characteristics

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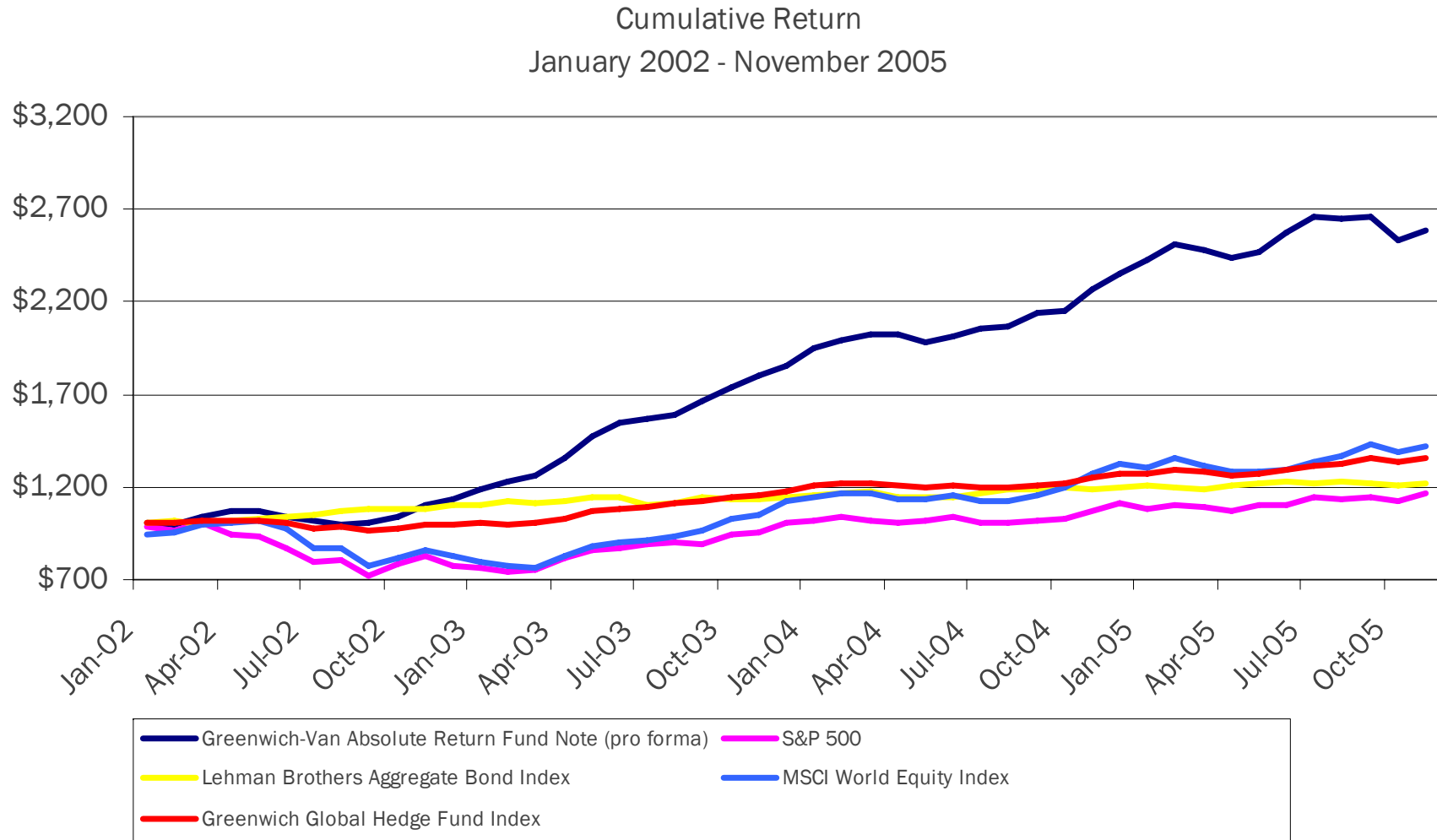
- *Rabobank Note*

- Assets geared and return linked to performance of a professionally-managed portfolio of hedge funds
- Issuer: Rabobank International (AAA/Aaa)
- Initial Issue Date: 23 November 2005
  - Additional issues available on demand (new 5-year tenor)
- Initial Issue's Maturity Date: 30 November 2010 (5 years)
  - Early exit subject to notice period and bid-ask spread of the Issuer
- Minimum Investment: US\$5,000,000
- Leveraged 2.5-to-1
- Non-recourse gearing
  - Note is terminated if underlying portfolio's unit value reaches 50% of Note's face value at issue
- Monthly pricing

- *Greenwich-Van Absolute Return Fund, Ltd.*

- Fund of Hedge Funds managed by Greenwich-Van Asset Management
- Strategy allocation designed specifically to optimize risk/return of the Note
- Initial and ongoing manager selection based on the Greenwich-Van Value Score and full due diligence
  - Balance struck between quantitative and qualitative processes
  - Designed to select the best performing managers in each target strategy
- Portfolio Risk Management to be overseen by Greenwich-Van

# Pro Forma Note Return vs. Benchmarks



Consistent performance in numerous market environments



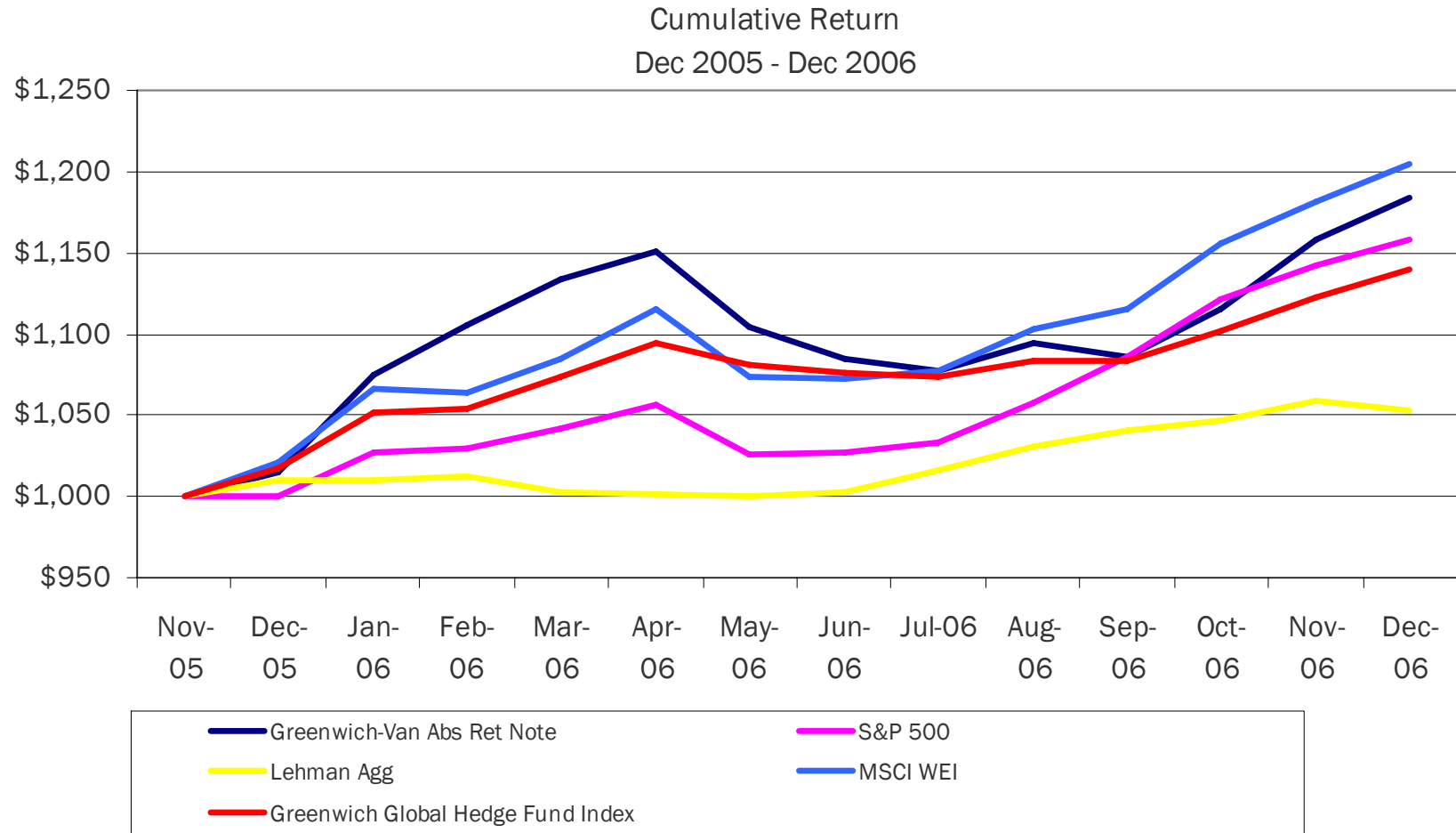
# Pro Forma Note Return vs. Benchmarks

| Jan 2002 - Nov 2005                | Compound Annualized Return | Annualized Standard Deviation | Annualized Sharpe Ratio | Maximum Drawdown | Total Return   |
|------------------------------------|----------------------------|-------------------------------|-------------------------|------------------|----------------|
| <b>Greenwich-Van Abs Ret Note*</b> | <b>27.32%</b>              | <b>9.24%</b>                  | <b>2.465</b>            | <b>-6.66%</b>    | <b>162.79%</b> |
| <i>Greenwich Global HF Index</i>   | 8.15%                      | 4.61%                         | 1.349                   | -5.41%           | 35.93%         |
| <i>S&amp;P 500</i>                 | 3.99%                      | 13.71%                        | 0.225                   | -28.37%          | 16.54%         |
| <i>MSCI World Equity Index</i>     | 5.36%                      | 13.61%                        | 0.323                   | -26.59%          | 22.71%         |
| <i>NASDAQ Composite</i>            | 3.53%                      | 20.54%                        | 0.184                   | -39.90%          | 14.53%         |
| <i>LBABI</i>                       | 5.11%                      | 4.11%                         | 0.808                   | -3.55%           | 21.54%         |

Over the period January 2002 through November 2005, the Note would have outperformed the same benchmarks while maintaining a comparable risk profile

\*Performance data is pro forma, net of all estimated management and funding fees.

# Actual Note Return vs. Benchmarks



Observed outperformance across multiple market environments



# Actual Note Return vs. Benchmarks

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| Dec 2005 - Dec 2006                | Compound Annualized Return | Annualized Standard Deviation | Annualized Sharpe Ratio | Maximum Drawdown | Total Return  |
|------------------------------------|----------------------------|-------------------------------|-------------------------|------------------|---------------|
| <b>Greenwich-Van Abs Ret Note*</b> | <b>16.83%</b>              | <b>9.02%</b>                  | <b>1.34</b>             | <b>-6.44%</b>    | <b>18.36%</b> |
| <i>Greenwich Global HF Index</i>   | 12.83%                     | 4.41%                         | 1.83                    | -1.88%           | 13.97%        |
| <i>S&amp;P 500</i>                 | 14.53%                     | 5.52%                         | 1.76                    | -2.88%           | 15.83%        |
| <i>MSCI World Equity Index</i>     | 18.76%                     | 7.16%                         | 1.95                    | -3.89%           | 20.48%        |
| <i>NASDAQ Composite</i>            | 7.52%                      | 11.80%                        | 0.23                    | -10.61%          | 8.17%         |
| <i>Lehman Aggregate Bond Index</i> | 4.90%                      | 2.65%                         | 0.04                    | -1.27%           | 5.32%         |

Since its inception in December 2005, the Note has performed well versus a number of benchmarks on multiple metrics

\*Data is observed performance of the Note since issue and is net of all fees and expenses.

Raising the Power of Hedge Funds



# History of Innovation

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- 1992 Greenwich Alternatives is established as research-focused hedge fund advisory firm and begins hedge fund data collection
- 1993 Becomes an early hedge fund registrant with the SEC as an Investment Advisor
- 1994 Performs world's first large sample risk-return quantification of hedge fund universe, begins work on the Greenwich Global HF Index
- 1995 The Greenwich Global Hedge Fund Index is published monthly with more than 1,000 hedge fund constituents
- 1998 Invited to provide expert testimony before the US House Banking & Finance Committee on Long Term Capital Management
- 2002 Performs large-scale quantitative analysis of the hedge fund universe; uses conclusions to establish strategy allocation and manager selection methodologies for an investable hedge fund index
- 2003 Launches GI<sup>2</sup>, the first Investable Hedge Fund Index specifically designed to track the broad hedge fund universe; completes development of multi-factor Greenwich Value™ manager ranking system
- 2005 Completes development and testing on proprietary risk management system; opens Hong Kong office; acquired by Muirhead Holdings (a private equity firm)

# Greenwich-Van Asset Management

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## Management Team

**Whelan**

**Tom Whelan**

CEO and Chairman • Former Head of Global Risk Management at Morgan Stanley with 30+ years experience

**Cully**

**Mike Cully**

Chief Financial Officer • Aeronautical Engineer  
Former Head of a Private Accounting Firm

**Hayden**

**Dan Hayden, CPA**

Managing Director • 20 years experience in Fixed Income & Hedge Fund Portfolio Management

**Song**

**Zhiyi Song, PhD., CFA**

Senior Vice President • PhD Finance, Head of Quantitative Analysis, Member of #1 ranked asset-backed securities team

**Pearson**

**Ryan Pearson, CAIA**

Senior Vice President • MBA Vanderbilt University  
Structured Products and Portfolio Management

One of the most knowledgeable hedge fund management teams with 50+ years combined experience

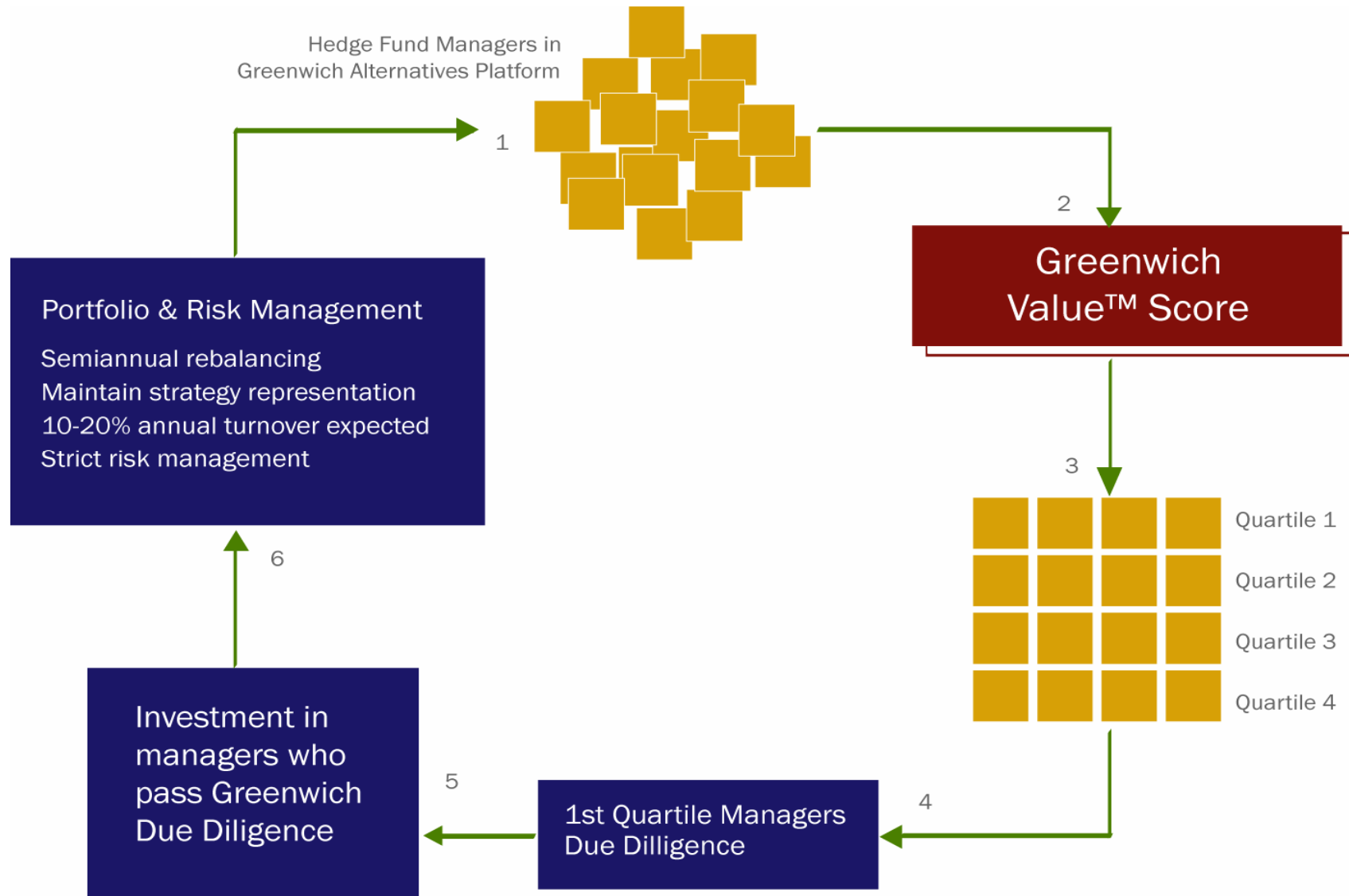


# Institutional Scale

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- Staff of 20 dedicated entirely to the hedge fund asset class
- Database of 7000+ managers
- Industry Standard Hedge Fund Indices
- Over \$700M in AUM / advisement
- Over 120 funded managers
- Global Presence – US, Europe & Asia
- SEC Registered Investment Advisor

# Methodology – Active Manager Selection



# Greenwich Risk Process

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**Sophisticated quantitative metrics combined with unsurpassed experience deliver institutional quality risk management**

# Product Partners

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**Rabobank**



# Explanatory Notes

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- The information contained herein is confidential and should not be distributed beyond its intended recipients.
- Throughout this presentation, “Greenwich, “Greenwich Alternatives” and “GAI” refer to Greenwich Alternative Asset Management, LLC and its affiliates. The Greenwich Hedge Fund Indices were released by Van Hedge Fund Advisors International, LLC through the March 2005 results; the Indices have been released by Greenwich Alternative Investment Advisors, LLC thereafter.
- Throughout this presentation, “GVARF” and “Greenwich-Van Abs Ret” refer to the Greenwich-Van Absolute Return Fund, Ltd. “GVARF Note”, “Greenwich-Van Abs Ret Note” and “Note” refer to the Rabobank Medium Term Note issued around the GVARF. Neither statistics nor past results are indicative of future performance.
- Past results are not indicative of future performance. Any investment involves a risk of a loss.
- All information herein is from sources believed to be reliable. Data are not necessarily audited or independently verified.
- In providing the attached information, GAI attempts to ensure the accuracy of the information; however, Greenwich-Van cannot guarantee the complete accuracy of such information.
- Changes in economic conditions will affect returns of the GVARF Note, GGHFI, and comparative indices in different ways.
- Various arithmetic and statistical calculations, such as estimating the effect of fees, may have been performed and would be based on the managers’ reported performance. The timing of the deductions of such fees and performance allocations may affect the reported performance.
- The *Pro Forma* GVARF and GGHFI results are net of underlying manager fees and expenses but are gross of any other expenses.
- The maximum compound annual return is calculated using geometrically linked monthly returns. All “maximum period” statistics are calculated based on the pro forma’s/funds performance history since the inception date noted.
- Some numbers in this presentation may have been adjusted due to the effects of rounding. Different statistics may be based on different numbers of funds, for technical reasons.
- Sharpe Ratio is calculated using the 3-month US Treasury Bill as proxy for the risk-free rate of return.
- All benchmarks are from sources believed to be reliable but have not been independently verified. The net results of the GGHFI and GVARF Note also reflect the reinvestment of all earnings.
- For additional Explanatory Notes related to the Greenwich Global Hedge Fund Index, please see [www.GreenwichAI.com](http://www.GreenwichAI.com).
- This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument.
- INVESTMENTS IN HEDGE FUNDS ARE SPECULATIVE AND INCLUDE A HIGH DEGREE OF RISK. INVESTORS COULD LOSE THEIR ENTIRE INVESTMENT. HEDGE FUNDS ARE SUITABLE ONLY FOR PERSONS WHO ARE ABLE TO ASSUME THE RISK OF LOSING THEIR ENTIRE INVESTMENT. HEDGE FUNDS OFTEN ENGAGE IN LEVERAGING AND OTHER SPECULATIVE INVESTMENT PRACTICES THAT MAY INCREASE THE RISK OF INVESTMENT LOSS; CAN BE HIGHLY ILLIQUID; MAY HAVE RESTRICTIONS ON TRANSFERRING INTERESTS; MAY HAVE NO SECONDARY MARKET NOR IS ONE EXPECTED TO DEVELOP; ARE NOT REQUIRED TO PROVIDE PERIODIC PRICING OR VALUATION INFORMATION TO INVESTORS; MAY INVOLVE COMPLEX TAX STRUCTURES AND DELAYS IN DISTRIBUTING IMPORTANT TAX INFORMATION; ARE NOT SUBJECT TO THE SAME REGULATORY REQUIREMENTS AS MUTUAL FUNDS OR OTHER INVESTMENT VEHICLES; CAN HAVE VOLATILE PERFORMANCE; MAY HAVE HIGHER FEES THAN OTHER INVESTMENT VEHICLES, AND THESE FEES CAN OFFSET PROFITS. HEDGE FUND MANAGERS HAVE TOTAL TRADING AUTHORITY OVER THEIR FUNDS. SOME PORTION OF A HEDGE FUND’S TRADES MAY BE EXECUTED ON FOREIGN EXCHANGES. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THESE RISKS BEFORE INVESTING.
- HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN.

# VanMac

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