



# FALCON FUND MANAGEMENT

Falcon Fund Management (Switzerland) Ltd.  
for



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## Semi-Annual Report 2009 Arpagus Fund

A special risks umbrella fund under Swiss law

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The Arpagus Fund was launched for  
Altrafin Advisory Ltd., Zurich, by  
Falcon Fund Management (Switzerland) Ltd. as  
fund manager and Falcon Private Bank Ltd.  
as custodian.

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The performances shown in this report refer to the past. Historic developments are no guarantee for future performances. The value of a unit can rise and fall any time. The performance data does not include the costs and commissions, which are charged when units were issued or redeemed.

## FACTS & FIGURES

### Characteristics of the Fund

The following segments, consisting of one class of units each, the A-class, are currently in existence:

- Arpagus Absolute Return Fund (CHF)
- Arpagus Absolute Return Fund (EUR)
- Arpagus Absolute Return Fund (USD)

The fund management company may invest the sub-funds' assets in the investments specified below. However, the "special section" of the fund contract may specify further restrictions applicable to individual sub-funds:

a) Investments in alternative collective investment schemes

aa) units or shares of open-ended foreign collective investment schemes whose units are periodically redeemed or repurchased on the basis of their net asset value, and which were established under the laws of any country (and in managed accounts or SPVs),

ab) units of closed-ended collective investment schemes established under the law of any country,

ac) units of funds for alternative investments established under Swiss law which are classified as hedge funds on the basis of their investment policy or their investments, and

ad) structured financial products, certificates or similar instruments of issuers worldwide with no capital guarantee whose underlying assets are investments as specified in aa) – ac) above or hedge fund indices.

b) Traditional direct investments in securities and similar financial instruments

c) Traditional indirect investments in securities and similar financial instruments

At least two thirds of a sub-fund's assets after deduction of the liquid assets must be invested in investments as specified in a) above, and not more than two thirds of a sub-fund's assets after deduction of the liquid assets may be invested in investments as specified in b) and c) above.

The net income of the classes of each segment, which is currently in existence, will be distributed in the respective currency of the segment to the unit holder by the end of May, for the first time in May 2007.

From the management fees there are remittances to be effected for the distribution of the mutual fund (retrocommission on unit-holdings) to distributors and portfolio managers. Institutional investors who hold units of the mutual fund for third parties are entitled to receive a reimbursement from the management fees.

### Organization

#### Fund Management

Falcon Fund Management (Switzerland) Ltd.  
Hochbordstrasse 3, CH-8600 Dubendorf-Zurich

#### Custodian and Paying Office

Falcon Private Bank Ltd.  
Pelikanstrasse 37, CH-8021 Zurich  
www.falconpb.com

#### Auditor

PricewaterhouseCoopers Ltd.  
Birchstrasse 160, CH-8050 Zurich

#### Paying Office

Switzerland:  
Falcon Private Bank Ltd.  
Pelikanstrasse 37, CH-8021 Zurich

#### Investment Decisions

Investment decisions are delegated to Altrafin Advisory Ltd., Zurich.

#### Securities Code

Arpagus Absolute Return Fund (CHF):  
2435045 (Class A)

Arpagus Absolute Return Fund (EUR):  
2435050 (Class A)

Arpagus Absolute Return Fund (USD):  
2435055 (Class A)

### Key Data CHF

	30.06.09	31.12.08	31.12.07	31.12.06
Net Fund Assets in Mio CHF	51.52	73.19	63.69	60.75
Units Outstanding Class A	622 058.0520	868 806.3580	584 273.6830	584 473.2540
Net Asset Value per Unit Class A	82.81	84.24	109.01	103.94
Performance according to the SFA guideline	-1.70%	-22.72%	4.88%	3.94%

### Key Data EUR

	30.06.09	31.12.08	31.12.07	31.12.06
Net Fund Assets in Mio EUR	31.21	32.09	39.71	11.01
Units Outstanding Class A	362 871.8320	369 085.6540	360 227.2400	105 212.0000
Net Asset Value per Unit Class A	86.02	86.95	110.24	104.67
Performance according to the SFA guideline	-1.07%	-21.13%	5.32%	4.67%

### Key Data USD

	30.06.09	31.12.08	31.12.07	31.12.06
Net Fund Assets in Mio USD	0.47	1.27	31.12	1.10
Units Outstanding Class A	5 270.3810	14 113.4130	271 181.4130	10 224.0000
Net Asset Value per Unit Class A	88.42	89.88	114.76	107.31
Performance according to the SFA guideline	-1.62%	-21.68%	6.94%	7.31%

## SEMI-ANNUAL STATEMENT OF ACCOUNTS

### Arpagus Absolute Return Fund (CHF)

#### Statement of Income from January 1 to June 30

	2009 in CHF	2008 in CHF
<b>Income</b>		
Income from bank receivables at time	26 028.40	119 708.32
Other Income	9 267.28	0.00
Purchase of current income on issue of units	0.00	-730.88
<b>Total Income</b>	<b>35 295.68</b>	<b>118 977.44</b>
<b>Expenses</b>		
Interest expenses	0.00	0.60
Audit fees	2 595.24	4 300.00
Remunerations according to regulations		
- Fund manager*	504 576.20	515 416.76
- Custodian**	20 698.97	27 959.60
Other expenses	11 010.87	1 627.75
Partly transfer of expenses on realized capital gains and losses	-76 101.51	-79 225.17
Payment of current income on redemption of units	-68 879.16	-725.47
<b>Total Expenses</b>	<b>393 900.61</b>	<b>469 354.07</b>
<b>Operating Result</b>	<b>-358 604.93</b>	<b>-350 376.63</b>
Realized capital gains and losses	-4 306 560.33	3 698 273.07
Partly transfer of expenses to realized capital gains and losses	-76 101.51	-79 225.17
<b>Realized Result</b>	<b>-4 741 266.77</b>	<b>3 268 671.27</b>
Unrealized capital gains and losses	3 594 118.67	-4 674 807.50
<b>Total Result</b>	<b>-1 147 148.10</b>	<b>-1 406 136.23</b>

\*The actual remuneration to the fund management amounts to 1.65% for the units of the class A.

\*\*The actual remuneration to the custodian bank amounts to 0.15%.

TER is not calculated since there is no value for most of the target funds.	N/A	N/A
PTR is calculated on the pool's assets as PTR is not meaningful on the subfund level.	42.13%	62.40%

## SEMI-ANNUAL STATEMENT OF ACCOUNTS

### Arpagus Absolute Return Fund (CHF) Statement of Assets as of June 30

	2009 in CHF	2008 in CHF
Bank receivables		
- at sight	16 353 402.60	0.00
- at time	16 195 089.44	4 051 786.07
Units of other collective investment schemes	27 684 432.83	59 486 517.25
Derivative financial instruments	15 666.00	624 263.18
Other assets	890 055.14	15 595.46
<b>Total Assets</b>	<b>61 138 646.01</b>	<b>64 178 161.96</b>
Liabilities	-9 623 138.37	-99 801.33
<b>Total Net Asset Value</b>	<b>51 515 507.64</b>	<b>64 078 360.63</b>
<b>Number of Units Outstanding</b>	<b>Klasse A</b>	<b>Klasse A</b>
Total as of January 1	868 806.3580	584 273.6830
Units issued in the period under review	3 005.7160	17 918.4320
Units redeemed in the period under review	-249 754.0240	-1 474.0000
Total as of June 30	622 058.0520	600 718.1150
<b>Total Net Asset Value of a Unit</b>	<b>82.81</b>	<b>106.67</b>

During the period under review a realized loss of CHF 947 612.64 and an unrealized gain of CHF 15 666.00 resulted from derivative financial instruments (options and forward currency hedging).

### Off-Balance Sheet Transactions as of June 30, 2009

#### Details of the Volume of open Contracts for Derivative Financial Instruments open at the Balance Sheet's Date

Forward Transactions (Volume of contracts)	Maturity	CHF	USD
USD/CHF	31.07.09	29 070 000.00	-26 743 330.00

Forward Transactions (Volume of contracts)	Maturity	CHF	EUR
EUR/CHF	31.07.09	5 719 000.00	-3 737 908.00

#### Details of the underlying Values with open Contracts at the Balance Sheet's Date

	Number of Positions	Market Value USD	Excess USD
Deposited assets	2	36 300 446.93	9 557 116.93

	Number of Positions	Market Value EUR	Excess EUR
Deposited assets	2	13 409 874.66	9 671 966.66

	Market Risk in CHF	Net Asset Value in %	Currency Risk in CHF	Net Asset Value in %
<b>Total Risks from Derivative Financial Instruments</b>	<b>0.00</b>	<b>0.00</b>	<b>34 789 000.00</b>	<b>67.53</b>

#### Credit Risk

The investment fund does not hold investments that contain a credit risk

No loans have been granted nor have securities been lent.

## SEMI-ANNUAL STATEMENT OF ACCOUNTS

Arpagus Absolute Return Fund (CHF)  
Statement of Assets as of June 30

### Changes of the Fund's Total Net Assets (Art. 75 CIS0-FINMA)

	2009 in CHF
<b>Total Net Assets as of January 1</b>	<b>73 191 306.35</b>
Units issued	253 772.60
Units redeemed	-20 782 423.21
Realized capital gains and losses	-4 382 661.84
Operating result	-358 604.93
Unrealized capital gains and losses	3 594 118.67
<b>Total Net Assets according to the Statement of Assets as of June 30</b>	<b>51 515 507.64</b>
Interim balance of current year's earnings per unit	-0.58
Retained earnings per unit	0.00

## SEMI-ANNUAL STATEMENT OF ACCOUNTS

### Arpagus Absolute Return Fund (CHF) Portfolio Composition as of June 30, 2009

#### Assets

Name	Currency	Value in CHF	Value in % of Fund Assets
<b>Units of other Collective Investment Schemes, traded on another regulated market open to the public</b>	<b>53.74%</b>		
<b>Share of the Portfolio of the Arpagus Absolute Return Fund Pool</b>		<b>27 684 432.83</b>	<b>53.74</b>
Directional	CHF	20 733 201.63	40.25 <sup>⊗</sup>
Event Driven	CHF	6 038 209.55	11.72 <sup>⊗</sup>
Traditional Investments	CHF	913 021.65	1.77 <sup>⊗</sup>
<b>Total units of other Collective Investment Schemes, traded on another regulated market open to the public</b>	<b>CHF</b>	<b>27 684 432.83</b>	<b>53.74</b>
<b>Derivative Financial Instruments 0.03%</b>			
<b>Currency Forwards</b>			
Replacement value of currency forwards	CHF	15 666.00	0.03
<b>Total Derivative Financial Instruments</b>	<b>CHF</b>	<b>15 666.00</b>	<b>0.03</b>
<b>Total Assets</b>	<b>CHF</b>	<b>27 700 098.83</b>	<b>53.77</b>
<b>Bank Receivables<sup>1</sup></b>			
- at sight, thereof pool	CHF	16 353 402.60	31.74 <sup>⊗</sup>
- at time, thereof pool	CHF	16 195 089.44	31.44 <sup>⊗</sup>
<b>Other Assets, thereof Pool</b>	<b>CHF</b>	<b>890 055.14</b>	<b>1.73<sup>⊗</sup></b>
<b>Total Assets</b>	<b>CHF</b>	<b>61 138 646.01</b>	
<b>Liabilities</b>			
- thereof pool	CHF	-9 218 884.91	-17.90
- thereof segment	CHF	-404 253.46	-0.78
<b>Total Net Asset Value</b>	<b>CHF</b>	<b>51 515 507.64</b>	<b>100.00</b>

<sup>1</sup> Deposits are not protected by deposit insurances.

<sup>⊗</sup>Base investments, which are bound to open derivative financial instruments.

## SEMI-ANNUAL STATEMENT OF ACCOUNTS

### Arpagus Absolute Return Fund (EUR)

#### Statement of Income from January 1 to June 30

	2009 in EUR	2008 in EUR
<b>Income</b>		
Income from bank receivables at time	12 691.91	74 901.16
Other Income	5 526.51	0.00
Purchase of current income on issue of units	0.00	-7 828.60
<b>Total Income</b>	<b>18 218.42</b>	<b>67 072.56</b>
<b>Expenses</b>		
Interest expenses	0.30	1.15
Audit fees	3 357.50	2 750.00
Remunerations according to regulations		
- Fund manager*	257 945.26	319 949.97
- Custodian**	10 464.33	17 448.52
Other expenses	3 623.93	2 894.11
Partly transfer of expenses on realized capital gains and losses	-38 976.69	-50 538.41
Payment of current income on redemption of units	-1 307.22	0.00
<b>Total Expenses</b>	<b>235 107.41</b>	<b>292 505.34</b>
<b>Operating Result</b>	<b>-216 888.99</b>	<b>-225 432.78</b>
Realized capital gains and losses	-3 004 165.99	1 816 467.23
Partly transfer of expenses to realized capital gains and losses	-38 976.69	-50 538.41
<b>Realized Result</b>	<b>-3 260 031.67</b>	<b>1 540 496.04</b>
Unrealized capital gains and losses	2 921 534.31	-1 913 591.61
<b>Total Result</b>	<b>-338 497.36</b>	<b>373 095.57</b>

\*The actual remuneration to the fund management amounts to 1.65% for the units of the class A.

\*\*The actual remuneration to the custodian bank amounts to 0.15%.

TER is not calculated since there is no value for most of the target funds.	N/A	N/A
PTR is calculated on the pool's assets as PTR is not meaningful on the subfund level.	42.13%	62.40%

## SEMI-ANNUAL STATEMENT OF ACCOUNTS

### Arpagus Absolute Return Fund (EUR) Statement of Assets as of June 30

	2009 in EUR	2008 in EUR
Bank receivables		
- at sight	24 597 826.09	97 081.35
- at time	9 735 952.38	2 577 098.46
Units of other collective investment schemes	16 642 997.73	37 263 449.34
Derivative financial instruments	-51 574.59	93 529.80
Other assets	535 071.73	63 036.59
<b>Total Assets</b>	<b>51 460 273.34</b>	<b>40 094 195.54</b>
Liabilities	-20 247 154.05	-245 424.96
<b>Total Net Asset Value</b>	<b>31 213 119.29</b>	<b>39 848 770.58</b>
<b>Number of Units Outstanding</b>	<b>Class A</b>	<b>Class A</b>
Total as of January 1	369 085.6540	360 227.2400
Units issued in the period under review	0.0000	4 749.0000
Units redeemed in the period under review	-6 213.8220	0.0000
Total as of June 30	362 871.8320	364 976.2400
<b>Total Net Asset Value of a Unit</b>	<b>86.02</b>	<b>109.18</b>

During the period under review a realized loss of EUR 1 137 571.06 and an unrealized loss of EUR 51 574.59 resulted from derivative financial instruments (forward currency hedging).

### Off-Balance Sheet Transactions as of June 30, 2009

#### Details of the Volume of open Contracts for Derivative Financial Instruments open at the Balance Sheet's Date

Forward Transactions (Volume of contracts)	Maturity	EUR	USD
USD/EUR	31.07.09	9 118 000.00	-12 857 747.00

#### Details of the underlying Values with open Contracts at the Balance Sheet's Date

	Number of Positions	Market Value USD	Excess USD
Deposited assets	2	33 279 535.94	20 421 788.94

	Market Risk in EUR	Net Asset Value in %	Currency Risk in EUR	Net Asset Value in %
<b>Total Risks from Derivative Financial Instruments</b>	<b>0.00</b>	<b>0.00</b>	<b>9 118 000.00</b>	<b>29.21</b>

#### Credit Risk

The investment fund does not hold investments that contain a credit risk.

No loans have been granted nor have securities been lent.

## SEMI-ANNUAL STATEMENT OF ACCOUNTS

Arpagus Absolute Return Fund (EUR)  
Statement of Assets as of June 30

### Changes of the Fund's Total Net Assets (Art. 75 CIS0-FINMA)

	2009 in EUR
<b>Total Net Assets as of January 1</b>	<b>32 090 646.89</b>
Units issued	0.00
Units redeemed	-539 030.24
Realized capital gains and losses	-3 043 142.68
Operating result	-216 888.99
Unrealized capital gains and losses	2 921 534.31
<b>Total Net Assets according to the Statement of Assets as of June 30</b>	<b>31 213 119.29</b>
Interim balance of current year's earnings per unit	-0.60
Retained earnings per unit	0.00

## SEMI-ANNUAL STATEMENT OF ACCOUNTS

### Arpagus Absolute Return Fund (EUR) Portfolio Composition as of June 30, 2009

#### Assets

Name	Currency	Value in EUR	Value in % of Fund Assets
<b>Units of other Collective Investment Schemes, traded on another regulated market open to the public</b>	<b>55.04%</b>		
<b>Share of the Portfolio of the Arpagus Return Fund Pool</b>		<b>16 642 997.73</b>	<b>55.04</b>
Directional	EUR	12 464 147.33	40.58 <sup>⊗</sup>
Event Driven	EUR	3 629 971.97	12.70 <sup>⊗</sup>
Traditional Investments	EUR	548 878.43	1.76 <sup>⊗</sup>
<b>Total units of other Collective Investment Schemes, traded on another regulated market open to the public</b>	<b>EUR</b>	<b>16 642 997.73</b>	<b>55.04</b>
<b>Derivative Financial Instruments 0.17%</b>			
<b>Currency Forwards</b>			
Replacement value of currency forwards	EUR	-51 574.59	-0.17
<b>Total Derivative Financial Instruments</b>	<b>EUR</b>	<b>-51 574.59</b>	<b>-0.17</b>
<b>Total Assets</b>	<b>EUR</b>	<b>16 591 423.14</b>	<b>54.87</b>
<b>Bank Receivables<sup>1</sup></b>			
- at sight, thereof pool	EUR	9 831 125.00	31.50 <sup>⊗</sup>
- at sight, thereof segment	EUR	14 766 701.09	47.31
- at time, thereof pool	EUR	9 735 952.38	31.19
<b>Other Assets, thereof Pool</b>	<b>EUR</b>	<b>535 071.73</b>	<b>1.71<sup>⊗</sup></b>
<b>Total Assets</b>	<b>EUR</b>	<b>51 460 273.34</b>	
<b>Liabilities</b>			
- thereof pool	EUR	-5 542 088.84	-17.76
- thereof segment	EUR	-14 705 065.21	-47.11
<b>Total Net Asset Value</b>	<b>EUR</b>	<b>31 213 119.29</b>	<b>100.00</b>

<sup>1</sup> Deposits are not protected by deposit insurances.

<sup>⊗</sup>Base investments, which are bound to open derivative financial instruments.

## SEMI-ANNUAL STATEMENT OF ACCOUNTS

### Arpagus Absolute Return Fund (USD)

#### Statement of Income from January 1 to June 30

	2009 in USD	2008 in USD
<b>Income</b>		
Income from bank receivables at time	267.73	65 620.09
Other Income	104.71	0.00
Purchase of current income on issue of units	0.00	0.00
<b>Total Income</b>	<b>372.44</b>	<b>65 620.09</b>
<b>Expenses</b>		
Interest expenses	10.84	118.66
Audit fees	40.00	1 060.00
Remunerations according to regulations		
– Fund manager*	4 961.14	246 163.77
– Custodian**	202.75	13 588.14
Other expenses	25.71	3 335.28
Partly transfer of expenses on realized capital gains and losses	-708.37	-39 101.95
Payment of current income on redemption of units	-1 125.54	-1 369.60
<b>Total Expenses</b>	<b>3 406.53</b>	<b>223 794.30</b>
<b>Operating Result</b>	<b>-3 034.09</b>	<b>-158 174.21</b>
Realized capital gains and losses	-74 912.46	-781 011.93
Partly transfer of expenses to realized capital gains and losses	-708.37	-39 101.95
<b>Realized Result</b>	<b>-78 654.92</b>	<b>-978 288.09</b>
Unrealized capital gains and losses	70 969.32	481 165.41
<b>Total Result</b>	<b>-7 685.60</b>	<b>-497 122.68</b>
TER is not calculated since there is no value for most of the target funds.	N/A	N/A
PTR is calculated on the pool's assets as PTR is not meaningful on the subfund level.	42.13%	62.40%

\*The actual remuneration to the fund management amounts to 1.65% for the units of the class A.

\*\*The actual remuneration to the custodian bank amounts to 0.15%.

## SEMI-ANNUAL STATEMENT OF ACCOUNTS

### Arpagus Absolute Return Fund (USD) Statement of Assets as of June 30

	2009 in USD	2008 in USD
Bank receivables		
- at sight	147 725.80	0.00
- at time	146 295.70	1 985 980.34
Units of other collective investment schemes	250 100.79	28 716 201.96
Derivative financial instruments	240.73	-28 982.55
Other assets	8 040.17	48 577.66
<b>Total Assets</b>	<b>552 403.19</b>	<b>30 721 777.41</b>
Liabilities	-86 382.63	-285 206.67
<b>Total Net Asset Value</b>	<b>466 020.56</b>	<b>30 436 570.74</b>
<b>Number of Units Outstanding</b>	<b>Class A</b>	<b>Class A</b>
Total as of January 1	14 113.4130	271 181.4130
Units issued in the period under review	0.0000	0.0000
Units redeemed in the period under review	-8 843.0320	-1 668.0000
Total as of June 30	5 270.3810	269 513.4130
<b>Total Net Asset Value of a Unit</b>	<b>88.42</b>	<b>112.93</b>

During the period under review a realized gain of USD 24 872.19 and an unrealized gain of USD 240.73 resulted from derivative financial instruments (options and forward currency hedging).

### Off-Balance Sheet Transactions as of June 30, 2009

#### Details of the Volume of open Contracts for Derivative Financial Instruments open at the Balance Sheet's Date

Forward Transactions (Volume of contracts)	Maturity	USD	EUR
EUR/USD	31.07.09	42 800.00	-30 351.00

#### Details of the underlying Values with open Contracts at the Balance Sheet's Date

	Number of Positions	Market Value EUR	Excess EUR	
Deposited assets	2	173 705.47	143 354.47	
	Market Risk in USD	Net Asset value in %	Currency Risk in USD	Net Asset Value in %
<b>Total Risks from Derivative Financial Instruments</b>	<b>0.00</b>	<b>0.00</b>	<b>42 800.00</b>	<b>9.18</b>

#### Credit Risk

The investment fund does not hold investments that contain a credit risk

No loans have been granted nor have securities been lent.

## SEMI-ANNUAL STATEMENT OF ACCOUNTS

Arpagus Absolute Return Fund (USD)  
Statement of Assets as of June 30

### Changes of the Fund's Total Net Assets (Art. 75 CIS0-FINMA)

	2009 in USD
<b>Total Net Assets as of January 1</b>	<b>1 268 467.18</b>
Units issued	0.00
Units redeemed	-794 761.02
Realized capital gains and losses	-75 620.83
Operating result	-3 034.09
Unrealized capital gains and losses	70 969.32
<b>Total Net Assets according to the Statement of Assets as of June 30</b>	<b>466 020.56</b>
Interim balance of current year's earnings per unit	-0.58
Retained earnings per unit	0.00

## SEMI-ANNUAL STATEMENT OF ACCOUNTS

### Arpagus Absolute Return Fund (USD) Portfolio Composition as of June 30, 2009

#### Assets

Name	Currency	Value in USD	Value in % of Fund Assets
<b>Units of other Collective Investment Schemes, traded on another regulated market open to the public</b>	<b>53.66%</b>		
<b>Share of the Portfolio of the Arpagus Absolute Return Fund Pool</b>		<b>250 100.79</b>	<b>53.66</b>
Directional	USD	187 307.98	40.19 <sup>⊕</sup>
Event Driven	USD	54 545.18	11.70 <sup>⊕</sup>
Traditional Investments	USD	8 247.63	1.77 <sup>⊕</sup>
<b>Total units of other Collective Investment Schemes, traded on another regulated market open to the public</b>	<b>USD</b>	<b>250 100.79</b>	<b>53.66</b>
<b>Derivative Financial Instruments 0.05%</b>			
<b>Currency Forwards</b>			
Replacement value of currency forwards	USD	240.73	0.05
<b>Total Derivative Financial Instruments</b>	<b>USD</b>	<b>240.73</b>	<b>0.05</b>
<b>Total Assets</b>	<b>USD</b>	<b>250 341.52</b>	<b>53.71</b>
<b>Bank Receivables<sup>1</sup></b>			
- at sight, thereof pool	USD	147 725.80	31.70
- at time, thereof pool	USD	146 295.70	31.39 <sup>⊕</sup>
<b>Other Assets, thereof Pool</b>	<b>USD</b>	<b>8 040.17</b>	<b>1.73</b>
<b>Total Assets</b>	<b>USD</b>	<b>552 403.19</b>	
<b>Liabilities</b>			
- thereof pool	USD	-83 277.30	-17.86
- thereof segment	USD	-3 105.33	-0.67
<b>Total Net Asset Value</b>	<b>USD</b>	<b>466 020.56</b>	<b>100.00</b>

<sup>1</sup> Deposits are not protected by deposit insurances.

<sup>⊕</sup>Base investments, which are bound to open derivative financial instruments.

## SEMI-ANNUAL STATEMENT OF ACCOUNTS

### Arpagus Absolute Return Fund (Pool) Portfolio Composition as of June 30, 2009

#### Assets

Quantity	Name	Country	Currency	Price	Value in USD	Value in % of Fund Assets
<b>Units of other Collective Investment Schemes, traded on another regulated market open to the public 53.34%</b>						
<b>Directional</b>					<b>36 730 794.14</b>	<b>39.94</b>
37 000.000000	East of Suez Fund S. 22	Cayman Islands	USD	30.68	1 135 160.00	1.23
41 291.291000	East of Suez Fund S. 30	Cayman Islands	USD	31.62	1 305 630.62	1.42
1 429.311800	Financial Institution Partners Ltd. Class A	Cayman Islands	USD	2 225.31	3 180 661.84	3.46
258.490000	Firebird Global Fund Ltd. Class A (in Liquidation)	Cayman Islands	USD	2 346.49	606 543.35	0.66
529.667000	Firebird Global Fund Ltd. Class A S. 11 (in Liquidation)	Cayman Islands	USD	494.22	261 770.01	0.28
233.121200	Gem Realty Securities Ltd. S. 1 (side pocket)	Cayman Islands	USD	787.20	183 513.68	0.20
3 281.406700	Gem Realty Securities Ltd. Class B S. 1	Cayman Islands	USD	1 476.54	4 845 125.30	5.27
4 354.387700	Giovine Investment Partners Intl. Ltd. Class A S. 1	Cayman Islands	USD	989.93	4 310 555.13	4.69
1 000.000000	Giovine Investment Partners Intl. Ltd. Class A S. 11	Cayman Islands	USD	855.39	855 392.40	0.93
7 222.349100	Maple Leaf Macro Volatility Fund (side pocket)	Cayman Islands	EUR	68.53	694 078.78	0.75
10 187.110000	Meditor European Hedge Fund Ltd. Class C	Bermuda	EUR	265.60	3 794 273.48	4.13
1 598.260000	OEI Mac Inc.	Cayman Islands	USD	1 687.53	2 697 111.70	2.93
1 575.638800	Pantera Global Macro Fund Ltd. Class A S. 1	Cayman Islands	USD	1 052.95	1 659 068.87	1.80
0.827200	Pantera Global Macro Fund Ltd. Class A S.39	Cayman Islands	USD	1 009.81	835.31	0.00
746.905200	Rab Energy Fund Ltd. November (side pocket)	Cayman Islands	USD	94.63	70 679.64	0.08
2 577.291800	Rab Energy Fund Ltd. November Redemption Shares PK (side pocket)	Cayman Islands	USD	94.63	243 889.12	0.27
1 726.890800	Steelhead Offshore Fund Ltd. Class A	Bermuda	USD	1 088.32	1 879 404.61	2.04
650.000000	Steelhead Offshore Fund Ltd. Class A S. 3	Bermuda	USD	751.04	488 178.99	0.53
12 000.000000	Talentum Activedge Fund Ltd.	Bahamas	EUR	149.16	2 510 054.69	2.73
11 893.300000	Tiger Shark I Offshore Ltd. Class A S. 1	Cayman Islands	USD	184.43	2 193 481.32	2.39
5 575.690000	Tiger Shark I Offshore Ltd. Class A S. 2	Cayman Islands	USD	184.41	1 028 212.99	1.12
774.204351	Ursus International Ltd. Class B S. 1	Cayman Islands	USD	3 357.48	2 599 377.71	2.83
1 500.000000	Woodbourne Daybreak Global Fund Ltd. Class C (in Liquidation)	Cayman Islands	USD	125.20	187 794.60	0.20
<b>Event Driven</b>					<b>10 697 231.47</b>	<b>11.64</b>
647.745844	Canyon Value Realization Fund Ltd. Class A DI 2 (side pocket)	Cayman Islands	USD	2 956.26	1 914 905.19	2.08
25.389200	Jana Offshore Partners Ltd. Class B S. 1 (side pocket)	Cayman Islands	USD	244.64	6 211.21	0.01
18.324300	Jana Offshore Partners Ltd. Class B S. 11 (side pocket)	Cayman Islands	USD	86.66	1 587.93	0.00
100.890200	Jana Offshore Partners Ltd. Class B2 S. 1 (side pocket)	Cayman Islands	USD	2 410.04	243 149.32	0.26
72.816000	Jana Offshore Partners Ltd. Class B2 S. 11 (side pocket)	Cayman Islands	USD	853.69	62 162.42	0.08
1 719.240000	Pardus European Special Opportunities Fund Class A S. 1 (in Liquidation)	Cayman Islands	EUR	160.37	386 649.39	0.42
300.000000	Pardus European Special Opportunities Fund Class A S. 3 (in Liquidation)	Cayman Islands	EUR	107.41	45 185.11	0.05
700.000000	Pardus European Special Opportunities Fund Class E (in Liquidation)	Cayman Islands	EUR	109.87	107 849.38	0.12
23 369.640000	Paulson Advantage Ltd. Class A	Cayman Islands	USD	339.31	7 929 531.52	8.62
<b>Traditional Investments</b>					<b>1 617 500.00</b>	<b>1.76</b>
50 000.000000	Ishares Inc. DJ US Real Estate Index Fund ETF	USA	USD	32.35	1 617 500.00	1.76
<b>Total Units of other Collective Investment Schemes, traded on another regulated market open to the public</b>					<b>49 045 525.61</b>	<b>53.34</b>
<b>Total Assets</b>			<b>USD</b>		<b>49 045 525.61</b>	<b>53.34</b>

## SEMI-ANNUAL STATEMENT OF ACCOUNTS

### Arpagus Absolute Return Fund (Pool) Portfolio Composition as of June 30, 2009

#### Assets

	Currency	Price	Value in USD	Value in % of Fund Assets
<b>Bank Receivables<sup>1</sup></b>				
- at sight	USD		28 971 524.00	31.51
- at time	USD		28 691 058.00	31.20
<b>Other Assets</b>	<b>USD</b>		<b>1 576 812.76</b>	<b>1.71</b>
<b>Total Assets</b>	<b>USD</b>		<b>108 284 920.37</b>	
<b>Liabilities</b>	<b>USD</b>		<b>-16 332 084.03</b>	<b>-17.76</b>
<b>Total Net Asset Value</b>	<b>USD</b>		<b>91 952 836.34</b>	<b>100.00</b>

<sup>1</sup> Deposits are not protected by deposit insurances.

	Currency	Price
<b>Exchange Rates to USD</b>		
Euro	EUR	1.4023

## SEMI-ANNUAL STATEMENT OF ACCOUNTS

### Arpagus Absolute Return Fund (Pool)

Changes in the Securities Holdings from January 1 to June 30, 2009

Name	Currency	Quantity 01.01.09	Quantity Bought*	Quantity Sold*	Quantity 30.06.09
<b>Bahamas</b>					
Talentum Activedge Fund Ltd.	EUR	19 824.770000	0.000000	7 824.770000	12 000.000000
<b>Bermuda</b>					
Clarium Capital Fund Ltd. Class B	USD	13 600.000000	0.000000	13 600.000000	0.000000
Clarium Capital Fund Ltd. Class B S. 8	USD	6 000.000000	0.000000	6 000.000000	0.000000
LAM Opportunity Fund Ltd. Class A	USD	172.603200	3 548.121700	3 720.724900	0.000000
Meditor European Hedge Fund Ltd. Class C	EUR	7 676.458000	2 514.368000	3.716000	10 187.110000
Steelhead Offshore Fund Ltd. Class A	USD	2 726.890800	0.000000	1 000.000000	1 726.890800
<b>British Virgin Islands</b>					
Fontana Capital L/S Offshore Fund Ltd. Class A	USD	1 700.000000	0.000000	1 700.000000	0.000000
<b>Guernsey</b>					
Audley European Opportunities Fund Ltd. Class A S. 3	EUR	16 122.533000	0.000000	16 122.533000	0.000000
Audley European Opportunities Fund Ltd. Class A S. 5	EUR	7 000.000000	0.000000	7 000.000000	0.000000
<b>Cayman Islands</b>					
Canyon Value Realization Fund Ltd. Class A	USD	1 151.905000	0.000000	1 151.905000	0.000000
Canyon Value Realization Fund Ltd. Class A DI	USD	0.000000	1 231.451231	137.259879	1 094.191352
Canyon Value Realization Fund Ltd. Class A DI 2	USD	0.000000	666.892043	19.146199	647.745844
Canyon Value Realization Fund Ltd. Class A liq.	USD	0.000000	136.185853	0.000000	136.185853
Canyon Value Realization Fund Ltd. Class A S. 11	USD	1 000.000000	575.196000	1 575.196000	0.000000
Dicker Micro and Small Cap Offshore Fund Ltd. Class D	USD	55.692900	0.000000	55.692900	0.000000
East of Suez Fund S. 22	USD	100 678.021000	0.000000	63 678.021000	37 000.000000
Financial Institution Partners Ltd. Class A	USD	3 100.000000	1 429.311800	3 100.000000	1 429.311800
Firebird Global Fund Ltd. Class A	USD	610.029000	0.000000	351.539000	258.490000
Firebird Global Fund Ltd. Class A S. 11	USD	1 250.000000	0.000000	720.333000	529.667000
Gem Realty Securities Ltd. S. 1	USD	0.000000	233.121200	0.000000	233.121200
Gem Realty Securities Ltd. Class B S. 1	USD	3 461.693400	0.000000	180.286700	3 281.406700
Gradient Europe Fund Class B	EUR	8 996.950000	0.000000	8 996.950000	0.000000
Hachiman Japan Fund Ltd. Class D	USD	14 245.806200	0.000000	14 245.806200	0.000000
Jana Offshore Partners Ltd. Class A S. 1	USD	1 360.159800	0.000000	1 360.159800	0.000000
Jana Offshore Partners Ltd. Class A S. 11	USD	1 000.000000	0.000000	1 000.000000	0.000000
Jana Offshore Partners Ltd. Class B S. 11	USD	0.000000	18.324300	0.000000	18.324300
Jana Offshore Partners Ltd. Class B2 S. 1	USD	0.000000	100.890200	0.000000	100.890200
Jana Offshore Partners Ltd. Class B2 S. 11	USD	0.000000	72.816000	0.000000	72.816000
Logos Global Fund Ltd. Class A	USD	41 990.330000	0.000000	41 990.330000	0.000000
Longacre International Ltd. Class A S. 4	USD	950.000000	0.000000	950.000000	0.000000
Longacre International Ltd. Class A S. 5	USD	929.357600	0.000000	929.357600	0.000000
Longacre International Ltd. Class A S. 11	USD	2 000.000000	0.000000	2 000.000000	0.000000
Maple Leaf Macro Volatility Fund	EUR	0.000000	7 222.349100	0.000000	7 222.349100
Maple Leaf Macro Volatility Fund Class D	EUR	23 054.826700	0.000000	23 054.826700	0.000000
Mena Admiral Fund Red	USD	71 035.340100	0.000000	71 035.340100	0.000000
OEI Mac Inc.	USD	3 571.210000	98.260000	2 071.210000	1 598.260000
Pantera Global Macro Fund Ltd. Class A S. 1	USD	2 643.138400	378.928000	3 022.066400	0.000000
Pantera Global Macro Fund Ltd. Class A S. 28	USD	500.000000	2 003.118300	927.479500	1 575.638800
Pantera Global Macro Fund Ltd. Class A S. 39	USD	0.000000	0.827200	0.000000	0.827200
Paulson Advantage Ltd.	USD	26 369.640000	0.000000	26 369.640000	0.000000
Paulson Advantage Ltd. Class A	USD	0.000000	26 369.640000	3 000.000000	23 369.640000
Paulson International Ltd.	USD	5 432.376000	0.000000	5 432.376000	0.000000
Pyrenees Global Value Offshore Fund Ltd.	USD	25 327.871500	0.000000	25 327.871500	0.000000
RAB EMEA Fund Ltd.	EUR	0.000000	16 737.757100	16 737.757100	0.000000
Rab Energy Fund Ltd. Class F	USD	7 757.456000	760.410000	8 517.866000	0.000000
Rab Energy Fund Ltd. November	USD	0.000000	1 859.963000	1 113.057800	746.905200
Rab Energy Fund Ltd. November Redemption Shares PK	USD	0.000000	8 557.387100	5 980.095300	2 577.291800
Ratio European Fund Class A	EUR	23 753.300000	0.000000	23 753.300000	0.000000
Tiger Shark I Offshore Ltd. Class A S. 1	USD	0.000000	11 893.300000	0.000000	11 893.300000
Tiger Shark I Offshore Ltd. Class A S. 2	USD	0.000000	5 575.690000	0.000000	5 575.690000
Tiger Shark I Offshore Ltd. Class A S. 6	USD	11 893.970000	0.000000	11 893.970000	0.000000

## SEMI-ANNUAL STATEMENT OF ACCOUNTS

### Arpagus Absolute Return Fund (Pool)

Changes in the Securities Holdings from January 1 to June 30, 2009

Name	Currency	Quantity 01.01.09	Quantity Bought*	Quantity Sold*	Quantity 30.06.09
Ursus International Ltd.	USD	3 000.000000	0.000000	3 000.000000	0.000000
Ursus International Ltd. Class B S. 1	USD	0.000000	1 055.733206	281.528855	774.204351
<b>USA</b>					
Ishares Inc. DJ US Real Estate Index Fund ETF	USD	0.000000	50 000.000000	0.000000	50 000.000000
Ishares Inc. MSCI Emerging Markets Index Fund	USD	0.000000	110 000.000000	110 000.000000	0.000000

\*Include purchases and sales as well as corporate actions.

## EXPLANATORY NOTES TO THE SEMI-ANNUAL REPORT

### Basics for the valuation as well as for the calculation of the net asset value

1. The net asset value of each sub-fund and the share of the individual classes (quotas) is calculated in the unit of account of the sub-fund concerned at the market value at the end of the financial year and for each day on which units in this sub-fund are issued or redeemed ("issue day" or "redemption day"). The assets of the corresponding sub-funds will not be calculated on days on which the stock exchanges or markets in a sub-fund's main investment countries are closed (e.g. on bank and stock exchange holidays).

2. In the case of listed investments or those traded on another regulated market open to the public, the current value corresponds to the prices paid on the main market. Other investments or investments for which no current prices are obtainable shall be valued at the price that would probably be obtained upon a diligent sale at the time of appraisal. In such cases, the fund management company shall use appropriate and recognized valuation models and principles to determine the market value, subject to the provisions under provs. 3 to 5.

3. Open-ended collective capital investments will be calculated at their redemption price or net asset value as communicated on the valuation day for the target fund to the fund management company by the custodian, administrator, transfer agent or other company responsible. Where a redemption fee is charged, it shall be deducted from the net asset value. If they are regularly traded on a stock exchange or another regulated market open to the public, the fund management company can value such funds in accordance with prov. 2.

4. The value of money market instruments that are not traded on a stock exchange or another regulated market open to the public is determined as follows: the valuation price of such investments is successively adjusted in line with the repayment price, taking the net purchase price as the basis and ensuring that the investment returns calculated in this manner are kept constant. If there are significant changes in the market conditions, the valuation principles for the individual investments will be adjusted in line with the new market returns. If there is no current market price in such instances, the calculations are as a rule based on the valuation of money market instruments with the same characteristics (quality and domicile of the issuer, issuing currency, term to maturity).

5. Bank deposits are valued on the basis of the

amount due plus accrued interest. If there are significant changes in the market conditions or credit ratings, the valuation principles for time deposits will be adjusted in line with the new situation.

6. The special section of this fund contract may stipulate valuation provisions that differ from or complement those in provs. 2 to 4 for individual sub-funds.

7. The net asset value of a unit in a particular class of a sub-fund is obtained by calculating the share of that class in the market value of assets of such sub-fund attributable to the class, subtracting any liabilities of the sub-fund attributable to that unit class, and dividing the result by the number of units of that class in circulation. It will be rounded to 1/100 of the unit of account of, if different, the reference currency of the corresponding unit class.

8. The share of the market value of the sub-fund's net assets (assets minus liabilities) attributable to the respective classes of units is determined for the first time at the initial issue of more than one class of units (if this occurs simultaneously) or the initial issue of a further class of units. The calculation is made on the basis of the assets accruing to the sub-fund for each class of units. The share is recalculated when one of the following events occurs:

a) upon the issuance and redemption of units;  
b) on the key date for distributions, provided (i) such distributions relate only to individual unit classes (distribution classes) or provided (ii) the distributions made by various unit classes differ with regard to the percentage of their respective net asset values or provided (iii) differing costs or commissions, calculated as a percentage of the distribution itself, are to be charged on the distributions of different unit classes;

c) when the NAV is calculated, as part of the allocation of liabilities (including due or accrued costs and commissions) to the various classes of unit, provided that the liabilities of the various classes of unit are different when expressed as a percentage of the respective NAV, especially if (i) different commission rates are applied for the various classes of unit or if (ii) class-specific costs are charged;

d) when the net asset value is calculated, as part of the allocation of income or capital gains to the various unit classes, provided the income or capital gains stem from transactions made solely in the interests of one unit class or in the interests of several unit classes but disproportionately

### Soft Commission Agreements

For the period of January 1, to June 30, 2009 no soft commission agreements were concluded in the name of Falcon Fund Management (Switzerland) Ltd. nor were soft commissions received.