



Mont Blanc Funds

Flash Report

12th December 2008

MONT BLANC FUNDS HAVE NO MADOFF EXPOSURE

Today the world learned that Bernard Madoff, founder and CEO of Bernard L. Madoff Investment Securities LLC, has been arrested by the FBI on fraud charges. Madoff apparently confessed that his investment advisory business, in which billions of dollars of hedge fund money was invested, was a giant Ponzi scheme in which, basically, cash from new investors was used to pay the returns to the existing investors.

Peak Partners wants to inform its investors that it has no exposure to any 'Madoff feeder'.

Peak Partners' senior investment managers have been closely watching the Madoff saga for years and have been highly skeptical all along. Due diligence on the Madoff investment advisory business was impossible to perform because there was a total lack of transparency even for the feeder's sponsors – the ultimate 'black box'.

This is obviously bad news for the hedge fund industry that comes on top of an already very difficult year. Peak Partners believes that the current shake-out in the alternative management world was overdue and that it will eventually end in a much cleaner and stronger hedge fund industry as well as stronger returns.

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