



## Global Asset Allocation Limited

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To all investors, advisors, supporters and friends

### Notice of enhancements to GAA Global 'Q' Fund trading strategy

During 2011 we have all witnessed unprecedented market conditions which have created uncertainty amongst investors and made stock selection even more difficult than usual.

GAA's underlying 'quant' investment methodology has always combined the identification of undervalued stocks with upward earnings revisions and a dynamic hedge, whilst at the same time utilising an adaptation process. Although the analysis of upwards earnings revisions has supported overall growth in our 'Q' funds since inception, in times of extreme volatility (or when market movements appear driven by market sentiment), such a structured approach may be deemed to be less successful than in times of steady growth or contraction.

The combination of unprecedented events in 2011 has prompted GAA to take a proactive approach to our own 'quant' fund management process.

Whereas GAA continues to have every faith in the long term ability of its current underlying 'quant' strategy which it has employed since inception in May 2004 (and which it intends to continue to use to capture **long term** growth), it has since identified 4 entirely new and complimentary quant methodologies which it believes will enhance its ability to react favourably to **short term** volatility, and make its 'Q' funds even more robust than they currently are. It is planned that these four additional strategies be added to its current trading approach from 1 January 2012.

Come the beginning of 2012 we believe that we will have captured the best in both **short term** and **long term** 'quant' trading strategies for our 'Q' funds and we are convinced that this will be reflected in positive returns from our funds. Full details of these new strategies will be released in detail shortly.

Should you have any specific questions concerning the above, please do not hesitate to contact GAA at the following address: [fundadmin@gaafunds.com](mailto:fundadmin@gaafunds.com)

In the meantime I would like to take this opportunity to personally thank you for your continued support of GAA funds and to assure you that GAA is taking every step to ensure that 2012 will be a profitable year for everyone.

Finally, I would like to wish you a very Merry Christmas and a Prosperous New Year from all of us at GAA.

Yours sincerely

**JEREMY SMEETON**  
MANAGING DIRECTOR