



Key Facts		Fortitude	RBA Cash
Strategy	Market Neutral	-0.49%	0.38%
Domicile	Australia	YTD	0.42%
Min. Investment	\$A100,000	Annualised Return p.a.	9.83%
Management Fee	1.5% p.a.	Std Deviation	2.99%
Performance Fee	20% p.a. with high water mark	Max. Drawdown	-0.73%
Min. Term	1 Month	Sharpe	1.44
Redemption	Monthly	Sortino	4.45
			-

CONFLICTING SIGNALS CONTINUE

World markets continued to flounder during June with concerns regarding the recovery of the US economy. This saw a strong rally in traditional defensive assets, particularly physical gold (+2.3%) and US government bonds (+33 bps). Leading equity markets were somewhat mixed; Dow Jones Index -2.6%, Nikkei -4%, Shanghai Composite -7.5%; Straits Times Index +2.6%, Hang Seng Index +1.7% and KOSPI +3.5%.

The S&P/ASX 200 fell 2.9% as it dealt with political uncertainty that eventually led to the replacement of the Prime Minister.

The mining sector continued to deal with the prospect of a resource super tax and the probability of a slowdown in Chinese growth.

Telstra (TLS) +10.5% was the beneficiary of a more commercial approach from the Federal Government to the roll out of the National Broadband Network. The signing of a heads of agreement saw the share price rally close to six month highs, but it could not hold at those levels. We believe the removal of the NBN uncertainty will provide significant opportunities in this name going forward.

The bulk of the returns for the month came from our yield portfolio, and the large majority of this was from the redemption of the Hasting Funds Taps Trust (TTXPA).

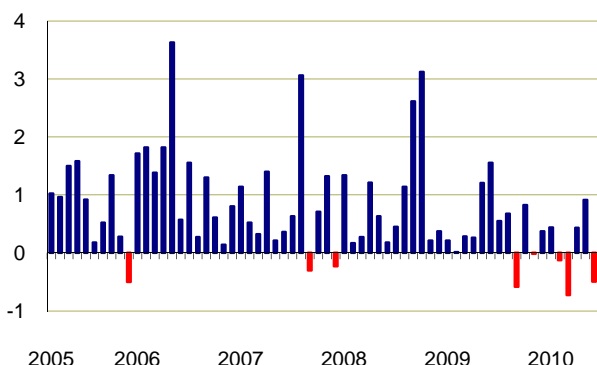
This was our largest net exposure within the portfolio and we will be looking to replace this with similar risk /return exposure when the appropriate opportunities arise.

Corporate activity increased during the month including the return of international private equity players which has caused many investors to re-asses balance sheet and cash flow assumptions.

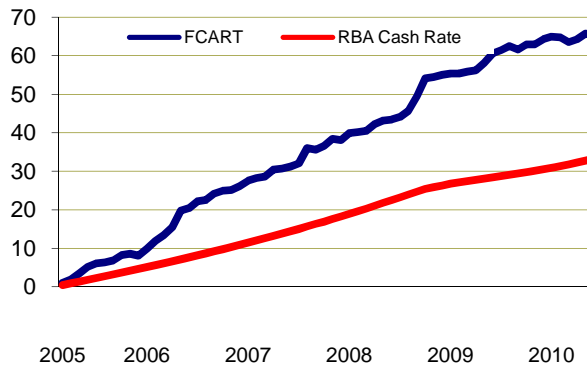
Whilst these developments should provide future opportunities for our fund we have had a harsh reminder of the idiosyncratic risks that can be associated with these positions; Zijin Mining Group terminated its Takeover Implementation Agreement with Indophil Resources (IRN). This followed a six month process attempting to gain approval from Chinese authorities for the bid to proceed. The final stumbling block appears to have been the actions of the outgoing Governor of the Philippine's South Cotabato province (where IRN owns a 37.5% interest in the Tampakan Copper-Gold project) to ban open pit mining. The Philippine National Government has made statements that such a ban contravenes national law and the incoming governor is reviewing the ban. IRN has been suspended from trading on the ASX until the legality of the ban has been clarified. This situation could obviously take some time to unwind and we will attempt to keep all investors informed.

Performance after fees (%)													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	0.44	-0.13	-0.73	0.43	0.91	-0.49							0.42
2009	0.21	0.01	0.28	0.26	1.20	1.55	0.55	0.67	-0.58	0.82	-0.02	0.82	5.93
2008	1.34	0.17	0.27	1.21	0.63	0.18	0.45	1.14	2.61	3.12	0.21	0.37	12.29
2007	1.14	0.52	0.32	1.40	0.21	0.36	0.63	3.06	-0.30	0.71	1.32	-0.23	9.48
2006	1.71	1.82	1.38	1.82	3.63	0.57	1.55	0.27	1.30	0.61	0.14	0.80	16.71
2005			1.02	0.96	1.50	1.58	0.92	0.18	0.52	1.34	0.28	-0.50	8.06

Monthly Returns Since Inception (%)



Cumulative Returns since Inception (%)



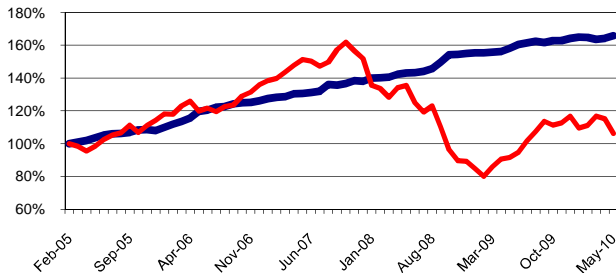


FORTITUDE CAPITAL

Fund Overview

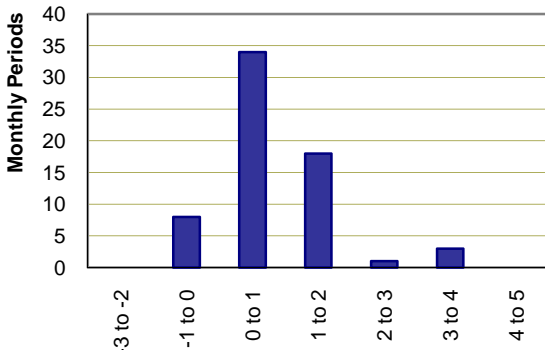
Fortitude Capital is an Australian Market Neutral Fund which only deals in listed securities. The investment focus is neutrality with a long gamma overlay. Short term opportunities, event situations and share class mispricings are targeted to generate low risk returns. The long volatility overlay allows for more aggressive positioning within the fund's other strategies - Long Short, Mergers and Acquisitions, Convergence and Yield. The market provides opportunities and management provides the strategic overlay. Risk management is a major focus. Trading stops are implemented based on price and time along with continual hedging of positions at relatively low execution costs. Liquidity is a major consideration of all investments.

Fortitude vs Equities ASX200



Performance Statistics		
	Fortitude	RBA Cash
Last 12 months	2.72%	4.02%
Last 24 months	15.0%	9.4%
% positive mths	87.5%	100%
Best month	3.63%	0.60%
Worst month	-0.73%	0.00%
Avg positive return	0.95%	0.45%
Avg negative return	-0.37%	0.00%

Distributions of Returns

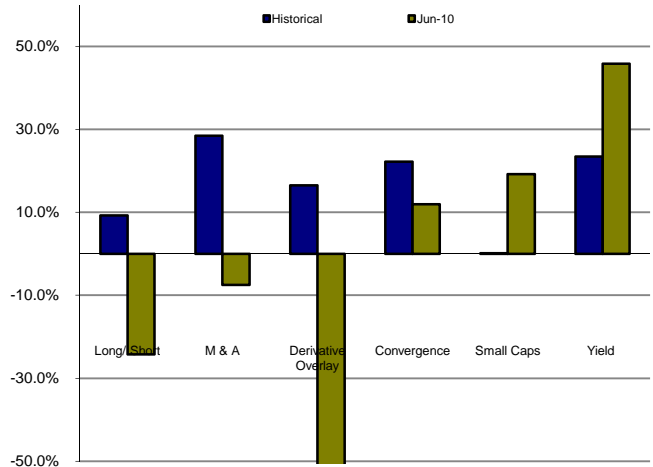


Manager Overview Monthly Returns (%)

Fortitude Capital is a Sydney based Market Neutral Fund providing 'Strength through the Investment Cycle'. Fortitude has been recognised and awarded as a market leader since inception in 2004. Fortitude Capital targets returns of 5-10% above risk free rates with minimal drawdowns. Fortitude Capital is licensed and regulated by the Australia Securities and Investments Commission.

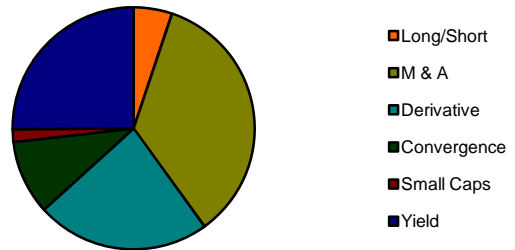
Absolute Return Trust June 2010

Profit & Loss Contribution by Strategy

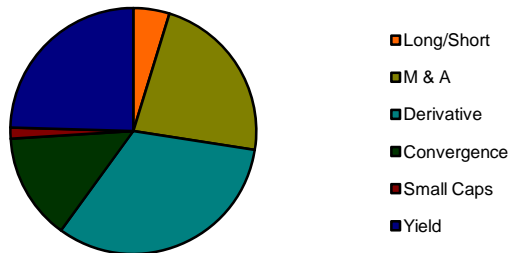


Strategy Weightings

June-10



Historical



Fund Service Providers

Prime Broker:	UBS
Administrator:	Kingsway Taitz
Custodian:	UBS
Legal:	DLA Phillips Fox
Auditor:	Ernst & Young

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