

Formula Growth Hedge Fund 2012 April Results

To all Investors,

The fund was down 3.7% net of fees, in U.S. dollars, (currency hedged class -3.9% Canadian, non-currency hedged class -4.7% Canadian) in the month of April. This trailed the markets, which were down between 0.6% (S&P 500) and 1.5% (Russell 2000 TR). The fund is up 10.1% year-to-date versus 11.9% for the S&P 500TR.

Markets turned down in April, correcting as much as 4-5% before recovering late in the month. European debt fears revived, with Greek elections setting back reform efforts and an ongoing recession cutting demand. The fund lost 4.7% on the long side, as energy slid, and some other winners gave back a portion of their year-to-date gains. We added 1.1% to return from the short side in April, getting positive contributions from a handful of shorts that reported poor Q1 earnings. The overall earnings season has been mixed, as the European weakness hurt sales at global firms, and as American manufacturing has slowed from quickly recovering to moderating growth. Overall domestic U.S. economic tone sounds healthy, with particular strength coming from Sunbelt

real estate and continued growth in heartland agriculture and energy production.

Going forward, Europe's recession is a headwind. While the current weakness could set up a future recovery, we will be avoiding U.S. companies with significant exposure to those economies for now. The European markets have cycled into a repeat of last years "risk-off" trade, but U.S. markets have behaved better so far, helped by the good current economic climate. Usually though, global markets trump any individual national market, so one could expect the U.S. to sell off in concert with Europe and Asia. Our focus will be on the individual stories and in seeking to take advantage of opportunities that the market may deliver, though we will be mindful of the risk of a systematic selloff. We finished the month at 77% gross long, 42% gross short and 35% net long.

Thank you for your confidence,

Formula Growth

John Liddy

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Formula Growth Hedge Fund Class F - Initial Series
Monthly and Year-To-Date Returns (U.S. Dollars)*

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FGHF YTD	HFRI Equity Hedge YTD	S&P 500 TR YTD
2012	8.1%	5.2%	0.5%	(3.7%)									10.1%	6.3%	11.9%
2011	3.1%	3.3%	(1.7%)	2.2%	(2.7%)	(0.2%)	0.7%	(12.0%)	(13.9%)	20.3%	(4.2%)	1.3%	(7.6%)	(8.4%)	2.1%
2010	(0.8%)	2.3%	5.4%	1.7%	(4.6%)	(6.6%)	4.7%	(6.0%)	8.7%	2.9%	0.1%	7.2%	14.4%	10.5%	15.1%
2009	(0.9%)	(4.9%)	7.2%	7.0%	8.1%	1.3%	6.4%	1.5%	2.6%	(1.1%)	2.0%	4.1%	37.7%	24.6%	26.5%
2008	(6.2%)	0.6%	(1.0%)	5.0%	6.1%	(3.4%)	(1.9%)	0.8%	(7.5%)	(3.7%)	(6.4%)	2.3%	(15.3%)	(26.7%)	(37.0%)
2007	0.9%	1.4%	0.8%	3.2%	3.6%	0.5%	(3.1%)	0.7%	1.5%	0.5%	(3.8%)	2.1%	8.4%	10.5%	5.5%
2006	6.4%	2.8%	0.3%	4.6%	(1.1%)	(1.0%)	(3.9%)	3.5%	1.7%	1.2%	2.7%	0.3%	18.5%	11.7%	15.8%
2005	(3.0%)	2.6%	0.6%	(2.8%)	5.7%	3.6%	6.7%	2.7%	1.4%	(2.2%)	4.4%	0.5%	21.4%	10.6%	4.9%
2004	10.7%	(0.9%)	1.2%	(3.6%)	6.1%	5.0%	(3.1%)	(0.3%)	3.9%	(0.4%)	7.3%	3.9%	33.0%	7.7%	10.9%
2003	3.4%	0.2%	9.9%	17.9%	13.0%	11.5%	13.8%	5.9%	6.5%	12.2%	4.6%	3.1%	162.3%	20.5%	28.7%
2002												2.1%	2.1%	(1.1%)	(5.9%)

*Up to December 31, 2005, the performance relates to the Canadian domiciled LP, FG Limited Partnership. From January 2006, the performance relates to the Formula Growth Hedge Fund. All performance returns are net of fees.