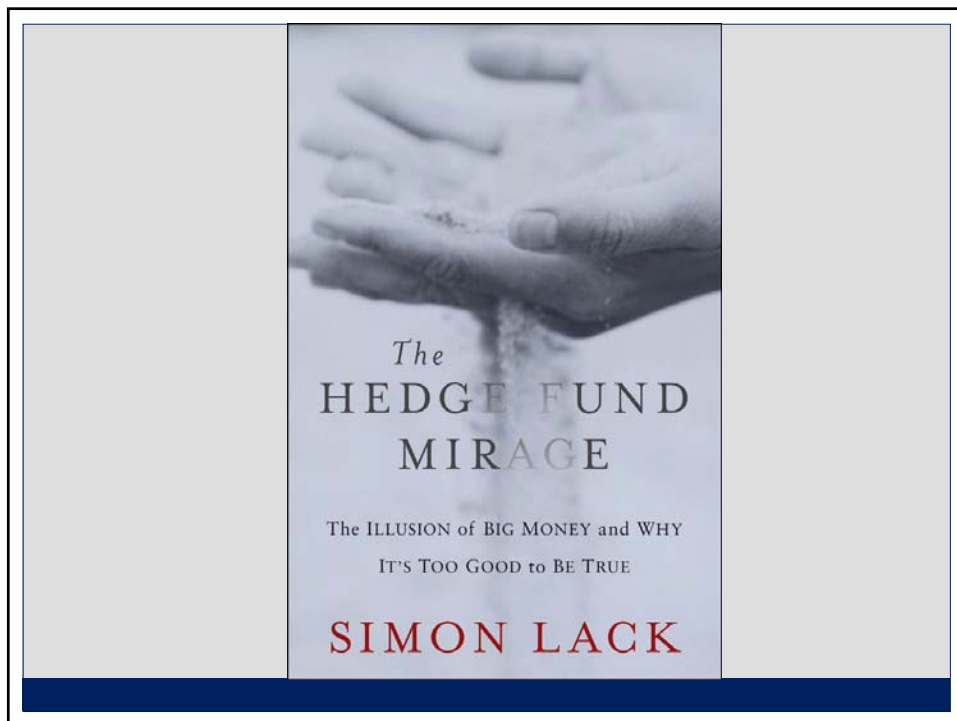


THE HEDGE FUND MIRAGE

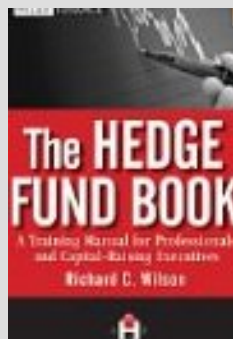


The Illusion of Big Money and Why It's Too
Good To Be True

By Simon Lack

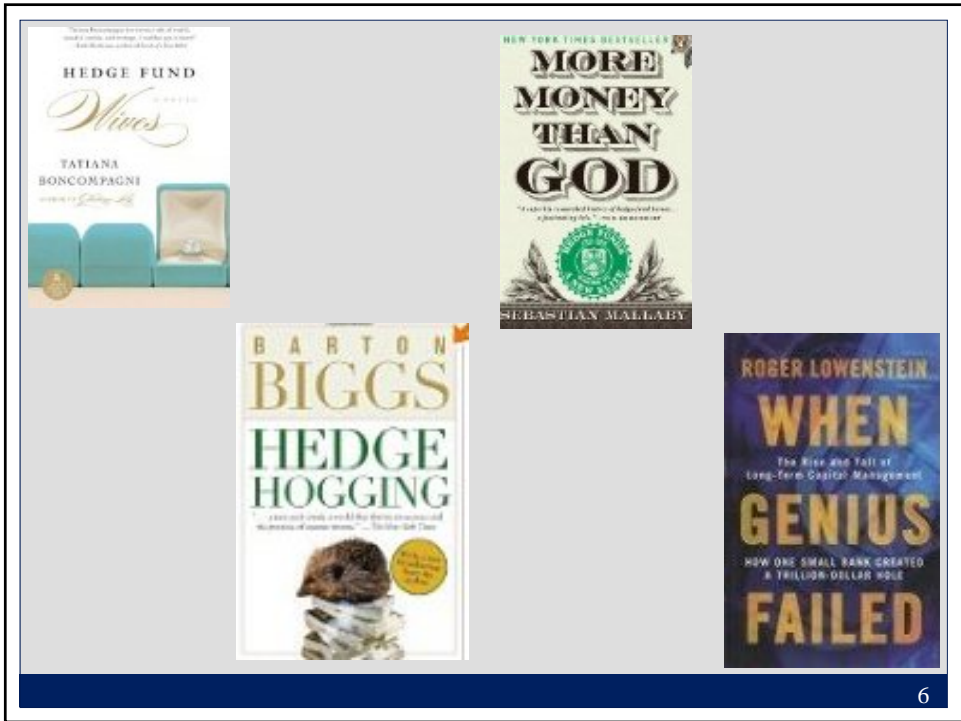


“If all the money that’s ever been invested in Hedge Funds had been put in treasury bills instead, the results would have been twice as good.”





5

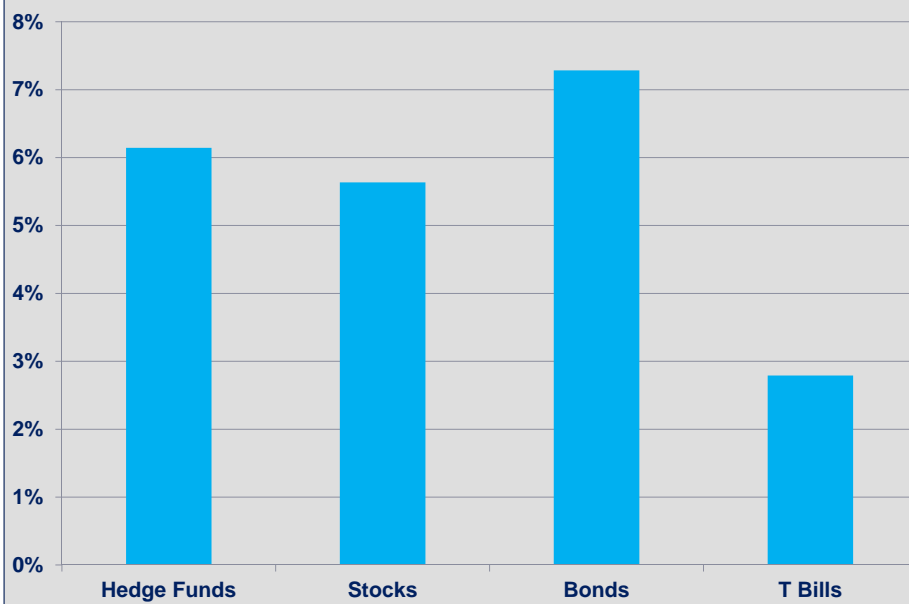


6

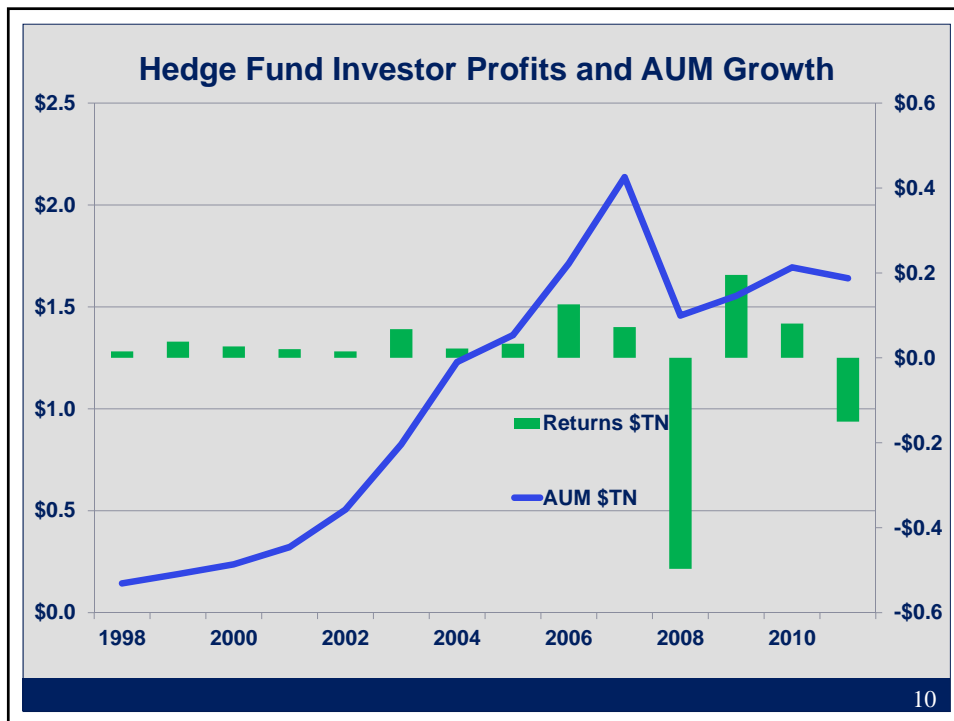
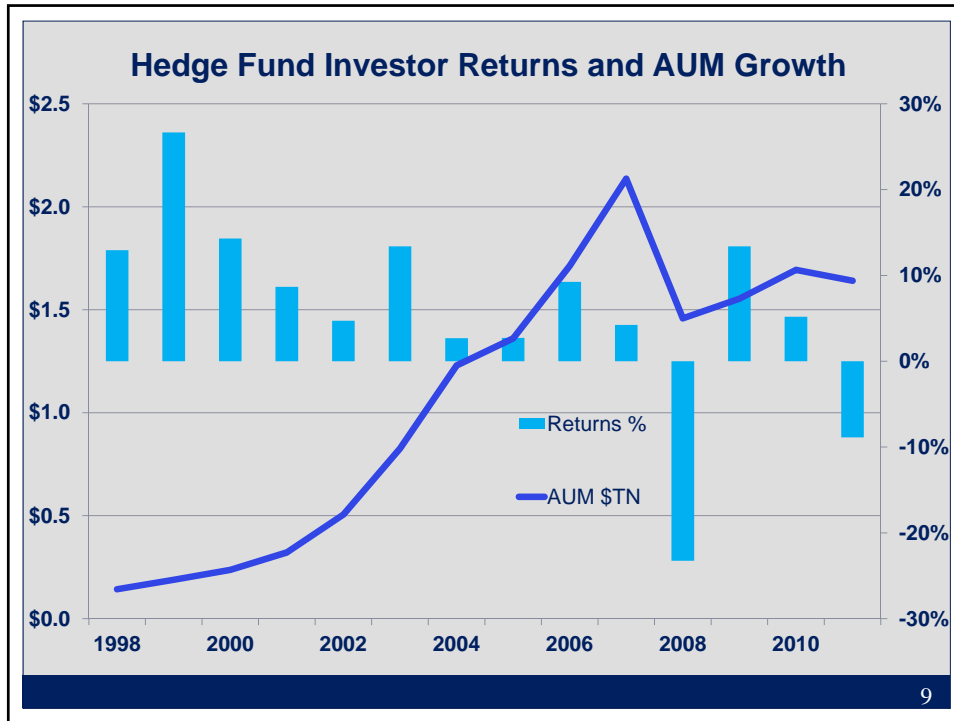
How Have Hedge Fund Investors Really Done?

7

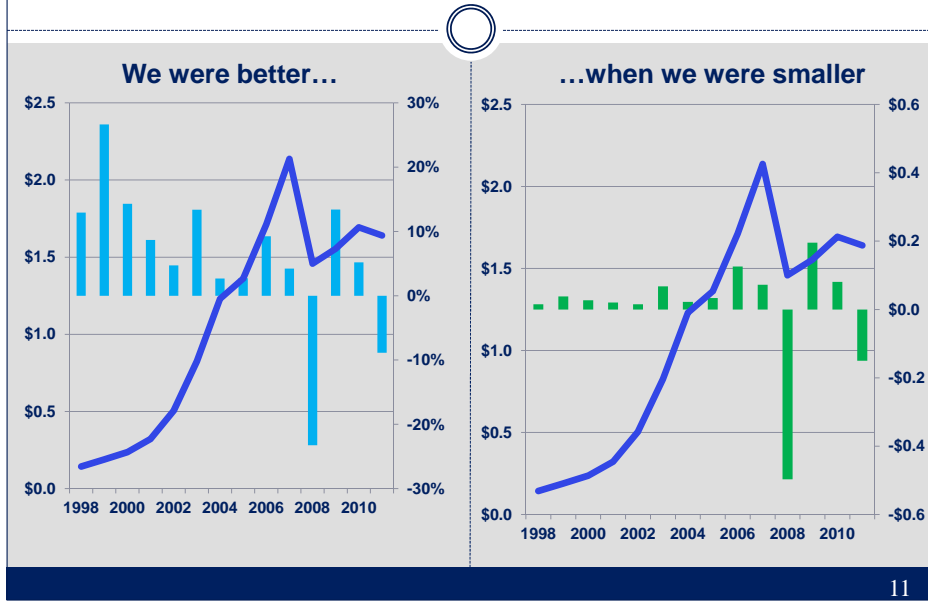
Annual Returns 1998-2011



8

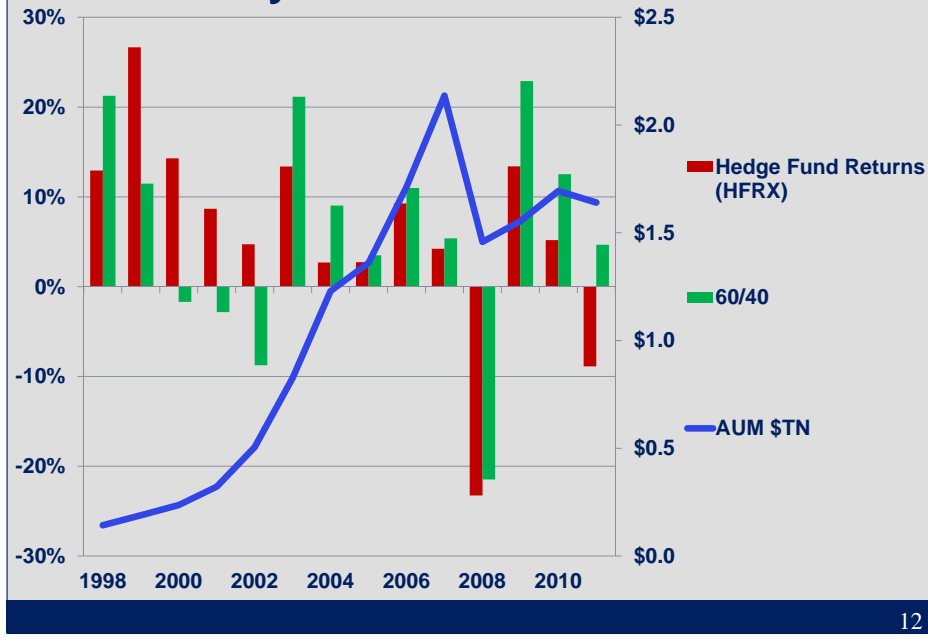


How Hedge Fund Investors Have Done

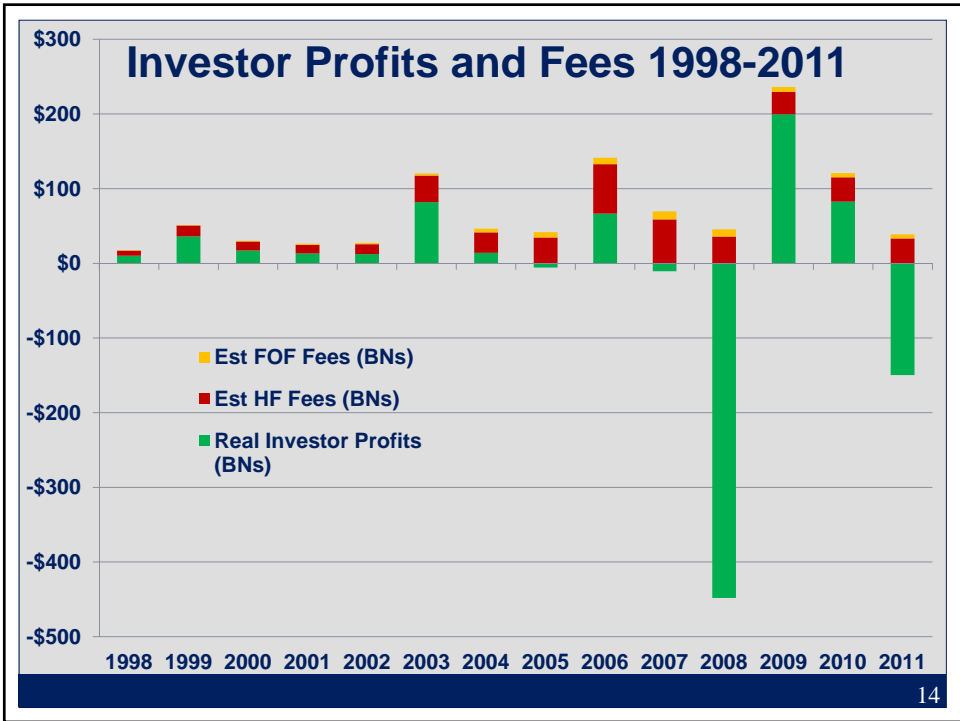
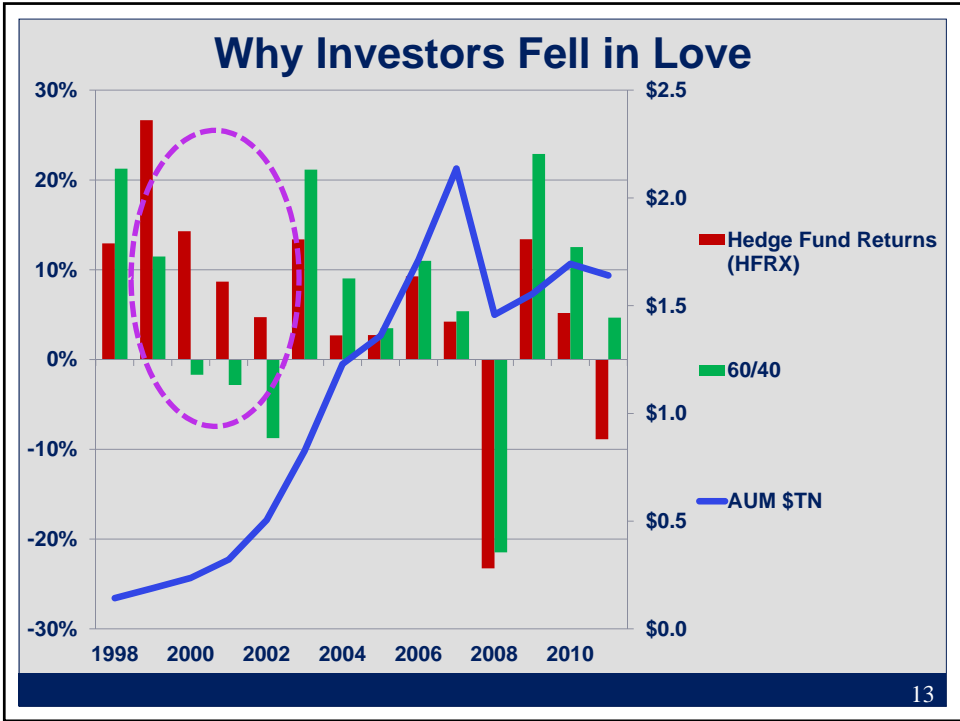


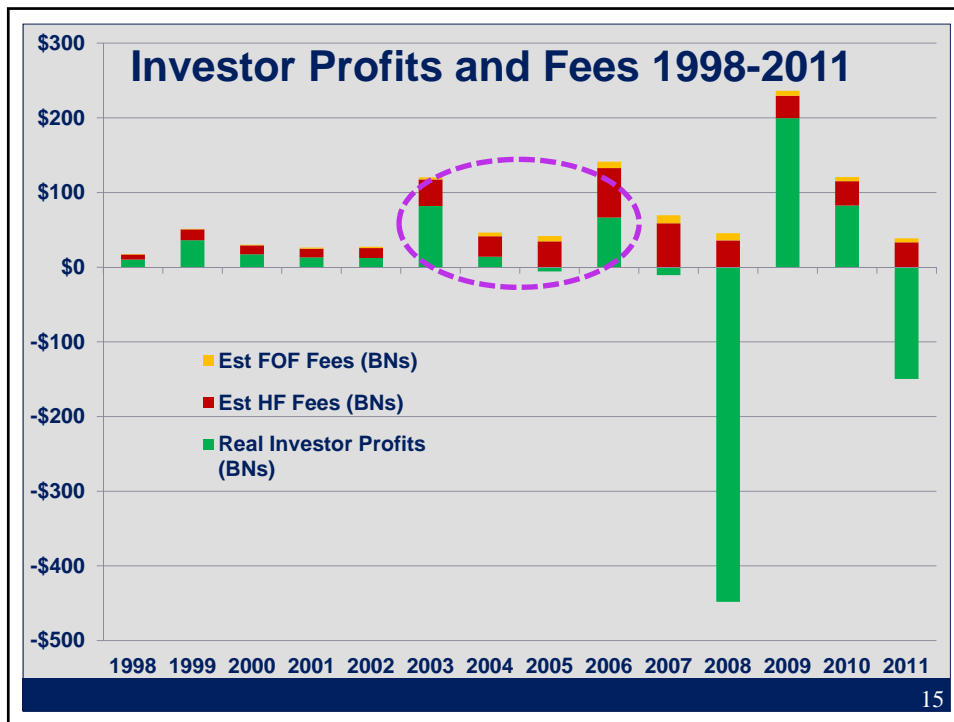
11

Why Investors Fell in Love



12





- ## What Went Wrong?
-
- Fees
 - Transparency
 - Size
 - Investor Protections
- 16

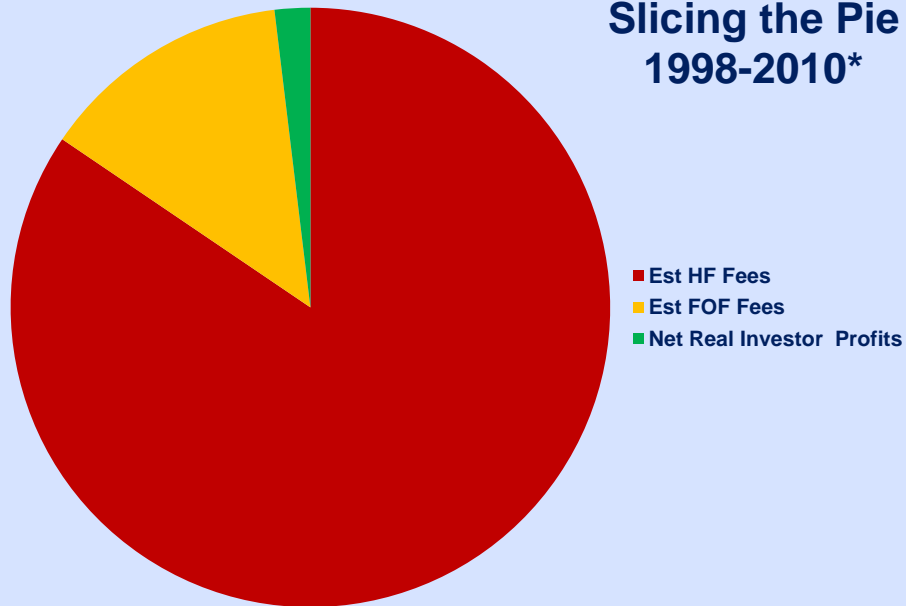
Why You Run a Hedge Fund



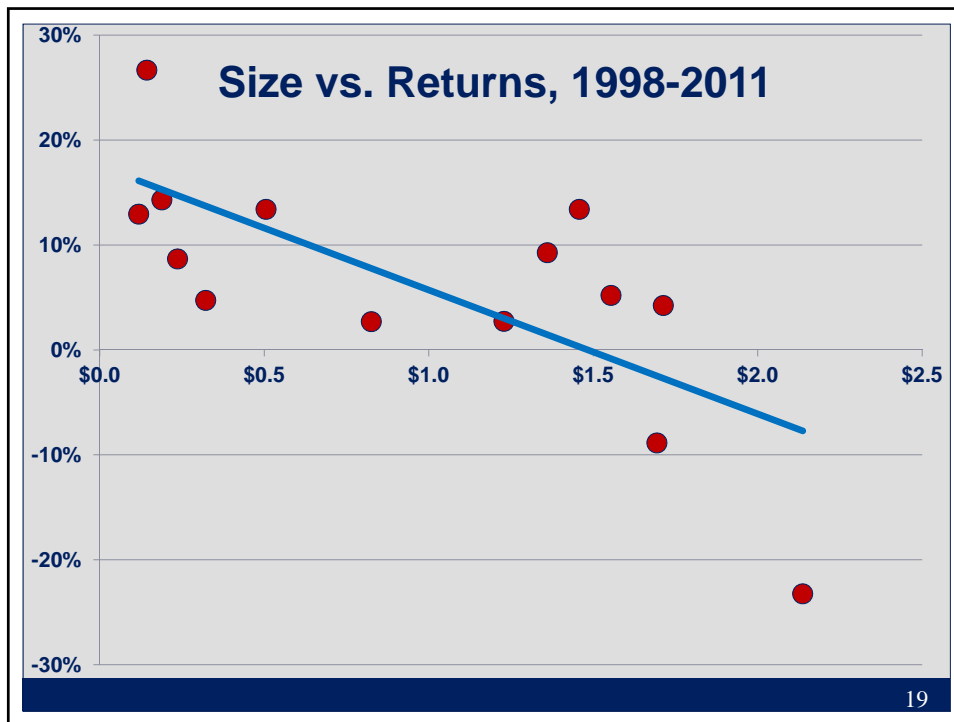
Year	Avg AUM* (BNs)	HFRX	Real Investor Profits (BNs)	Est Total Fees (BNs)**	Fees as % of AUM	Total Profits	Industry Share of Total Profits
1998	\$131	13%	\$10	\$7	5%	\$17	40%
1999	\$166	27%	\$36	\$14	9%	\$51	28%
2000	\$213	14%	\$17	\$12	6%	\$29	41%
2001	\$279	9%	\$13	\$12	4%	\$25	47%
2002	\$414	5%	\$12	\$13	3%	\$26	51%
2003	\$666	13%	\$82	\$36	5%	\$118	30%
2004	\$1,027	3%	\$14	\$27	3%	\$42	66%
2005	\$1,295	3%	-\$6	\$35	3%	\$29	119%
2006	\$1,537	9%	\$67	\$66	4%	\$133	50%
2007	\$1,925	4%	-\$11	\$59	3%	\$48	122%
2008	\$1,797	-23%	-\$448	\$36	2%	-\$412	NM
2009	\$1,506	13%	\$200	\$30	2%	\$230	13%
2010	\$1,624	5%	\$83	\$32	2%	\$115	28%
2011	\$1,667	-9%	-\$150	\$38	2%	-\$112	NM
Total			-\$80	\$413		\$333	

17

Slicing the Pie 1998-2010*



18



- ### Less Transparency Than...
- Public Equities and Debt
 - Private Equity
 - Real Estate
- 20

Hedge Funds Are Over-Capitalized

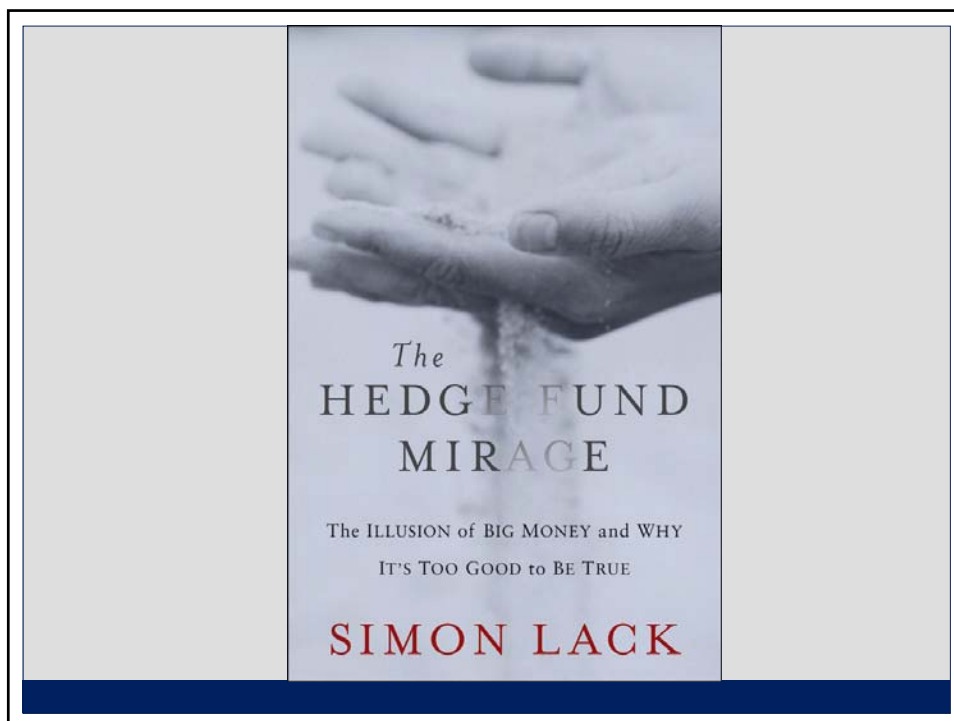


21

SL Advisors, LLC

- Invests exclusively via separately managed accounts (SMAs)
- Provides clients with complete transparency, liquidity, and unrestricted access to their capital
- Focuses on return of capital and income generating strategies using equities and hedged equities
- Does not charge "2 & 20"
- Does not run a hedge fund

22



WWW.SL-ADVISORS.COM