Altex Arb & Quant

October 31, 2008

Altex Partners Gestion, SGIIC, SAU

Monthly report			**October 31, 2008**
	NAV	**MTD**	**YTD**
Shares in Euros	98,58	-0,37%	4,26%

Since January 2005		**Target**
Annualized return	9,44%	>9%
Annualized volatility	4,01%	<7%
Correlation with S&P 500	0,13	

► Investment Strategy

AAQ is a fund of hedge funds that exploits bullish and bearish trends, and outperforms in volatile markets.

The fund invests in strategies with low or negative correlation with equity and bond markets with the objective of achieving positive returns during worst market drawdowns.

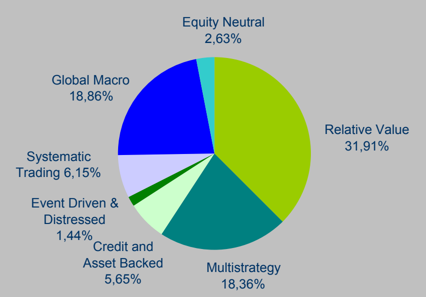
The fund has been designed to optimize the return-volatility ratio of any portfolio with beta exposure to equity markets.

► Highlights

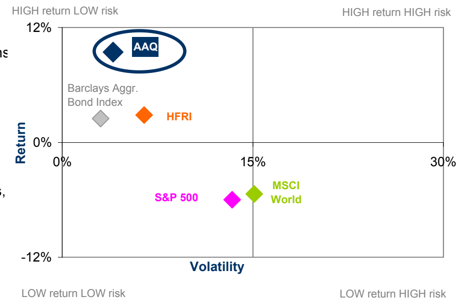
- Low correlation with hegde fund indices.
- Ideal to protect a portfolio from market drawdowns.
- Improves the risk-return efficient frontier of a diversified portfolio.
- Registered at CNMV.
- Altex Partners Team invests in hedge funds since 1995.

► Strategy Allocation

Total: 85% +Cash (-Leverage): 15%



► Manager Comment



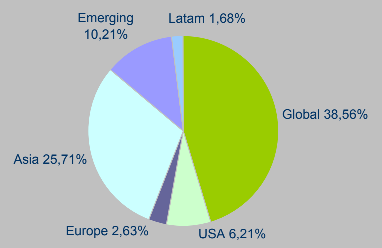
Market Overview:
October was as tough as September, or even tougher. The main reasons driving the hedge industry to monthly returns and valuations with historically high negative deviations were two: deleveraging and illiquidity. Additionally, in some cases, regulatory interventions have distorted the market for some strategies even further. In October, in spite of coordinated Government efforts to reassure markets, stock indices reflected the sentiment that we are on the verge of a great depression, on the back of data that now points clearly to a crisis in real economy. The consequences of the widespread sell-off, sweeping across traditional funds, hedge funds, funds of funds, institutions, and private investors, are twofold: the first is the illiquidity it brings to markets, unable to down so many exits; the second is that it has placed us much closer to the market floor. In our opinion, we will not reach it until the system has deleveraged to levels in line with current risk perception.

As is usual, in sharp market downturns, correlation between all types of assets and regions tends to one: equity, fixed income, convertibles and debt have been hugely depreciated in markets with extremely low volumes and players forced to sell by redemptions or margin calls. Only a few hedge strategies reported gains this month. In traditional markets: MSCI World (-19.04%), S&P 500 (-16.94%), Euro Stoxx 50 (-14.69%) y Nikkei 225 (-23.83%). Emerging Markets was the most hurt with concerns for the impact the crisis could have on these regions' growth increasing and commodities prices falling sharply: MSCI Emerging Markets (-27.50%), China (-27.11%), Brazil (-24.80%), Russia (-36.18%) and India (-23.89%).
The hedge world reported historical falls. Strategies such as convertibles (-17.79%) and emerging markets (-12.68%) were especially hurt. On an aggregated basis, HFRI Fund of Funds (-6.89%) and HFRI Fund Weighted (-5.99%). Macro strategies reported positive performance (+2.52%), particularly Systematic Macro managers (+6.46%) who have taken advantage of the bearish market trend.

Fund performance:
AAQ ended October practically flat, with returns barely varying -0.37% this month (HFRI Fund of Funds -6.89%). October has been an extremely tough month, with an all-time high volatility. On the upside, volatility, Equity Neutral and Systematic Global Macro managers' performances stand out. The latter contributed almost 60 b.p. to the portfolio thanks to their recovering their trend after the sharp market movements of August and September. On the downside, the rest of the strategies, with individual investments reporting returns ranging from -18.30% to +8.13%. September and October have seen such sharp falls that the correlation between all asset types, hedge strategies included, has increased extraordinarily. Against this background, reporting such an uncorrelated performance is especially commendable. We sold an arbitrage fund at month end.

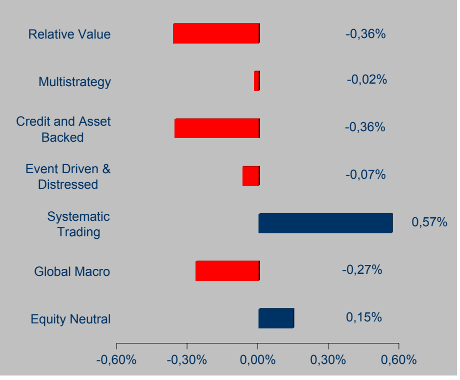
► Geographic Allocation

Total: 85% +Cash (-Leverage): 15%



► Strategy Cotribution

Total Return: -0,37%



► Performance Analysis

October 31, 2008	
A.U.M. (€ MM)	18,8
Num of funds in portfolio	30
Last 12 Months	
Return	6,54%
Volatility	4,85%
Since January 2005	
Accumulated return	41,31%
Annualized return	9,44%
Annualized volatility	4,01%
Positive months	67,4%
Best month (Jan-06)	3,13%
Worst month (Jul-08)	-1,04%
Worst drawdown Jul-08 to Oct-08)	-2,83%
Months to recover	-
Correlation with S&P 500	0,13

► Fund Information

Launch date	April 2008
Currency	EURO
Currency risk	Permanently covered (*)
Minimum investment (€)	None
Subscription frequency	Monthly with 5 business days notice
Redemption frequency	Quarterly with 95 calendar days notice
Redemption Fee	3% during first 12 months
Payment	Maximum 2 months after NAV calculation date
Investment Manager Fee	2,00% annual
Performance Fee	None
Custodian and Administrator Fee	0,18% annual
Investment Manager	Altex Partners Gestión
Administrator	BNP Paribas Fund Services
Custodian	BNP Paribas Securities Services
Auditor	Ernst and Young
ISIN	ES0177046002
Bloomberg	ALTARBQ SM

(*) Investments in dollar denominated funds are permanently covered through forward sales of dollars against euros.

► Shares in Euros (Monthly returns net of all fees) (*)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2005	-0,92%	1,36%	-0,14%	-0,42%	0,17%	1,19%	0,47%	1,65%	1,19%	-0,63%	1,54%	0,95%	6,56%
2006	3,13%	0,67%	1,25%	2,39%	-0,66%	0,19%	-0,66%	-0,02%	-0,55%	-0,06%	0,93%	1,47%	8,31%
2007	1,39%	0,46%	-0,37%	1,70%	1,67%	1,41%	1,83%	0,81%	2,08%	3,07%	2,38%	-0,19%	17,44%
2008	2,99%	2,64%	0,06%	0,27%	0,20%	0,98%	-1,04%	-0,99%	-0,47%	-0,37%	-	-	4,26%

(*) Shaded in gray: pro forma returns of initial portfolio.

► Disclaimer

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