

### **III Fund L.P. Honored by HFM as “Best Fixed Income Fund Under \$1 Billion”**



III Associates is pleased to announce that III Fund L.P. has been honored at the HFM US Hedge Fund Manager Awards as the winner in the category of “Best Fixed Income Fund under \$1 billion”.<sup>1</sup>

The awards, presented in New York on October 23, brought together major hedge fund managers to celebrate and recognize those funds that have “outperformed their peers over the past 12 months”. III Fund was also shortlisted for “Best Relative Value Fund”.

This US award comes on the heels of the Fund’s recognition in the international arena as Best Fixed Income Arbitrage Fund at the HedgePo Investor Choice Awards in London earlier this year.<sup>2</sup>

“We are truly gratified by the recognition III Fund L.P. has received by winning this award. I am especially proud of our of our talented, creative and highly experienced rates team, who work collaboratively every day to deliver results for our investors with integrity, transparency and innovation,” said Clifford Viner, Co-Founder and Co-CIO of III Associates and portfolio manager of III Fund L.P.

III Fund L.P. is managed by III Associates, whose principals have been managing fixed income investment capital since 1982. III currently manages approximately \$3.8 billion in capital, primarily in fixed income/rates and credit. III focuses on alpha generation and manages commingled investment funds as well as customized single investor funds and managed accounts.

III Fund L.P. seeks to generate uncorrelated alpha in relatively liquid markets in G7 economies worldwide while minimizing credit, currency, and interest rate risk. III uses a variety of relative value strategies in the following trade groupings: government bond relative value, yield curve relative value, short-term interest rate and basis swap trading, and volatility relative value. III invests primarily in non-emerging market government bonds, agency MBS, swaps, swaptions, caps, floors, interest rate futures contracts, interest rate futures options and other interest rate related derivative instruments.

For additional information about III Associates, III Fund L.P. or any of the other products managed by III<sup>3</sup>, please contact Francis Feeney, Principal and Co-Head, Investor Relations at [francis.feeney@iiiassociates.com](mailto:francis.feeney@iiiassociates.com) or Robert Printz, Principal and Co-Head, Investor Relations at [Robert.printz@iiiassociates.com](mailto:Robert.printz@iiiassociates.com) or by telephone at 561-544-4600. In addition, please visit our website at [www.iiioffshore.com](http://www.iiioffshore.com).

<sup>1</sup> HFM US Performance Awards describes its judging process as follows: “The judging process is rigorous and thorough to ensure that all the entries receive full consideration and that the true winners are chosen. Judges will take part in a judging conference call, where the winners will be decided, with one expert per category who will be asked to summarize and provide additional input. Judges have the discretionary power to move submissions into alternative categories that they think may be more suitable. All judges are required to sign a disclaimer form to keep information about companies and the final winners confidential. The panel of expert judges are carefully selected for their wealth of experience and expertise, as well as their absence of conflicts of interest....[and] do not judge any categories that their company has been entered in and are obliged to declare that they have no conflicts of interest prior to judging.” This year’s awards were judged by a panel of over 13 industry experts.

<sup>2</sup> HedgePo, The Investors Choice Awards sponsor, describes its criteria/process as follows: “Risk cannot simply be defined by realized performance measures such as volatility. Unrealized risk also needs to be taken into account. To overcome this challenge, we collaborate with some of the most established institutional hedge fund investors around the world to incorporate qualitative criteria into the selection process. The scoring methodology incorporates a set of qualitative criteria covering the investment process, risk management framework and depth of research team, as well as a set of quantitative performance measures including annualized returns, volatility and maximum drawdown. The judges review manager profiles on the HedgePo portal and independently assign a score from 1 to 10 in each of the qualitative assessment areas for each fund. Average scores for the qualitative and quantitative sets of criteria are then calculated and combined in equal measure to reach the total score. This total score determines the winner in each category. The awards were judged by a panel of over 15 institutional investors who were asked to consider a number of both qualitative and quantitative criteria.

<sup>3</sup>In addition to III Fund L.P., our flagship rates strategy, III Associates also has a robust credit business which includes III Credit Opportunities Fund L.P., a long only fund that seeks to generate significant returns primarily using high quality structured credit and high yield corporate bonds, as well as III Select Credit Fund L.P. (“Select”), a credit fund that seeks to generate uncorrelated alpha using long/short credit strategies with limited directional bias. Select’s goal is to achieve significant returns across a wide range of strategies, while keeping leverage and volatility low and targeting positions that focus on capital gains rather than roll and carry. In addition to the rates and credit funds, III also provides customized solutions for portfolio protection through the use of option and relative value overlays.

## **Notes and Disclaimers**

This material is not an offer or a solicitation for any managed account or fund product of III Associates and/or III Offshore Advisors (“III”). Such an offer or solicitation can only be made pursuant to the applicable offering document and otherwise in accordance with applicable futures and securities laws. This material is deemed to be confidential and may only be reviewed by the person or entity to which it is addressed and such person’s or entity’s professional investment advisors. Any retransmission, dissemination or other use of this material is expressly prohibited. This material is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to applicable law or regulations. Futures and securities trading are speculative and involve substantial risk of loss. There can be no assurance that the funds and accounts advised by III will achieve profits or avoid incurring substantial losses. Market information provided herein was generally prepared by sources unrelated to III, as attributed. It is believed to be reasonably accurate and current for the purposes of the illustrations provided but III has not independently verified this information. Any statements regarding market events, future events or other similar statements constitute only subjective views, are based upon expectations or beliefs, should not be relied on, are subject to change due to a variety of factors including fluctuating market conditions, and involve inherent risks and uncertainties, both general and specific, many of which cannot be predicted or quantified and are beyond III’s control. Future evidence and actual results could differ materially from those set forth in, contemplated by, or underlying these statements. In light of these risks and uncertainties, there can be no assurance that these statements are not or will prove to be accurate or complete in any way. No representation is made that III’s investment processes or investment objectives will or are likely to be successful or achieved. Trade examples are illustrative only. See the applicable offering document for a full investment strategies description.

## **Risk Factors**

III also wishes to bring your attention to the following RISK FACTORS:

- An investment in a III fund or account is speculative and involves a substantial degree of risk.
- A managed account investor does not invest with limited liability and may not only lose all or a substantial amount of its investment, but may lose more than the original investment and profits earned.
- If the product is offered as a fund, there will be restrictions on transferring and redemption of fund interests and the fund will not subject to the same regulatory requirements as U.S. mutual funds. There will be no secondary market for fund interests and none will be expected to develop. An investor could lose all or a substantial amount of his or her fund investment.
- Futures and securities trading is highly speculative and volatile.
- III is subject to certain conflicts of interest.
- III is dependent on the services of certain key personnel, and, were certain or all of them to become unavailable, the product may prematurely terminate.
- PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.**
- III may trade on foreign markets.
- The investment strategies to be used by III may involve substantial use of leverage.
- The product will have substantial fees and expenses that reduce returns.
- It is impossible to predict what new governmental restrictions or regulation may be imposed on the markets and/or the effects of any such action on products managed by III. In particular, the current proposals to regulate derivative markets, including speculative position limits with respect to derivatives, if enacted, may negatively impact the availability of derivatives employed by III or their pricing.
- Certain funds which III advises incurred substantial losses in 2008, and some of these have been liquidated.
- Funds and accounts managed by III may be materially adversely affected by prolonged recession or economic stagnation.
- There can be no assurance as to when markets may return to conditions consistent with historical norms.
- III may be unable to maintain financing, or maintain financing at current pricing levels, for their positions.
- Funds and accounts are subject to counterparty credit risk with respect to their brokers, banks, dealers and other trading counterparties.
- There can be no assurance that an investment will provide diversification to an investor’s portfolio and there is a risk that an investment will be positively correlated with a traditional portfolio of stocks and bonds.
- Interest carry losses are incurred when short-term borrowing costs are higher than the yield on the investment finance. The product will be subject to the effects of interest-rate movements and there is a risk that it will experience a negative carry while holding their positions.