

June 2009 Report

Fund Structure	Carbon Logic Limited
Fund Manager / Adviser	Logic Fund Management Ltd
Fund Administrator	MMc Limited
Portfolio Manager	Gregory P. Marshall
Fund Type	Long only Equity
Investment Strategy	Investment in Alternative Energy, Grid Upgrade and Pollution Control.
Investment Geographic	G8 plus Australia and NZ
Minimum Investment	\$5,000 NZD, or as determined by the directors
Management fees	2% per annum
Performance fees	20% of "Performance per Share", as set out in the prospectus.
Investments	Monthly.
Redemptions	Monthly with 20 days notice.

For a prospectus, investment and/or disclosure statement. Write to or see:-
Carbon Logic
PO Box 662
Wanaka

www.carbonlogic.co.nz

Fund Positioning

Five largest positions

			%
JEC-NY	Jacobs Engineering	Grid upgrade	8.0
SI-NY	Siemens AG	Wind	6.4
ERX-NY	Direxion	Energy index	5.6
SGR-NY	Shaw Group	Nuclear	5.2
NFK-AX	Norfolk Group	Grid Upgrade	5.2

No. of positions held by the Fund **39**
(Max.50)

Performance to June 30, 2009

NAV (NZD) - Unit price	0.6177
Month return %	- 11.95
YTD return % (1st Jan 2009)	+ 12.75
Return since inception %	- 38.23

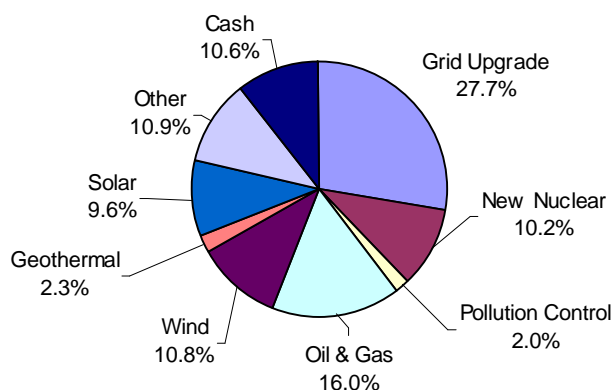
Attribution Analysis

	Month %	YTD % (since 1st Jan 2009)
Management and Performance fees	0.17	0.94
Interest/Dividends	0.05	1.45

Comparatives (corrected to NZD)

Brent Crude (USD69.2/ barrel)	+ 1.28	+ 33.25
NZD/USD (0.6241)	+ 4.45	+ 13.04
Wilderhill New Energy Index (NEX)	- 7.99	+ 9.46
Calvert Global Alt Energy (CGAEX)	- 7.23	- 7.19
Winslow Green Solutions (WGSIX)	- 2.82	- 0.48
PS Wilderhill Energy (PBW)	- 3.31	+ 3.22

Sector Allocation



Manager's Commentary

This month saw much irrational behaviour from the markets. We were predicting this and prepared by reducing position size and raising cash. The surging American unemployment numbers proved to be too much though and caused the equity and energy markets to fall, taking our stocks with it.

We understand that markets can remain irrational longer than an investor can remain solvent but believe the terror generated by surging unemployment is synonymous to the fear created by an accident seen in the rear view mirror. It is a lagging indicator which will continue to rise even as the economic recovery takes hold. Our view is that all the leading economic indicators such as initial jobless claims, housing permits, stock prices, interest rate spread and supplier deliveries have turned with the low of this business cycle likely to have occurred in December 2008.

History suggests that the economic lag between recession and recovery is between six and ten months after the cycle's low point. This supports our view that the US economy will end the 2009 year on an upward trend with much higher equity markets. Oil and gas company stocks are currently the cheapest sector of the global equity markets; trading at an almost 50% discount to the average large capitalisation company. Given the direct correlation to economic activity we believe they currently provide a compelling risk reward way to profit from the strengthening global economy and we remain fully invested in this sector.

	Jan	Feb	March	April	May	June	July	August	Sept	October	Nov	Dec
2007						-0.17%	-3.08%	-7.73%	0.81%	3.21%	-11.80%	-1.42%
2008	-13.91%	5.06%	-13.03%	-0.06%	7.73%	3.54%	-9.45%	-7.71%	-25.39	-0.37%	20.11%	3.56%
2009	1.98%	3.11%	8.69%	11.63%	1.21%	-11.95						