

## The Long and the Short of Hedging

### BENEFITING FROM UNCERTAIN MARKETS

Imagine... Manufacturer A launches a new weight loss drug that also proves to lower cholesterol, reverse hair loss and improve stamina. Manufacturer B launches a new weight loss drug that may contribute to short-term memory loss and blurred vision.

#### • HOPING THE PRICE WILL FALL

Sensing an opportunity here, you decide to buy \$10,000 of Manufacturer A's stock and sell short \$10,000 worth of Manufacturer B's stock. Congratulations, you just implemented a hedging strategy involving a short sale – a technique for borrowing the securities in the hope the price will fall.

#### • POCKETING THE DIFFERENCE

If the stock price falls, you may buy back the shares for less than you would sell them for – replacing what you borrowed and pocketing the difference, after you pay any dividends and fees on the securities loan.

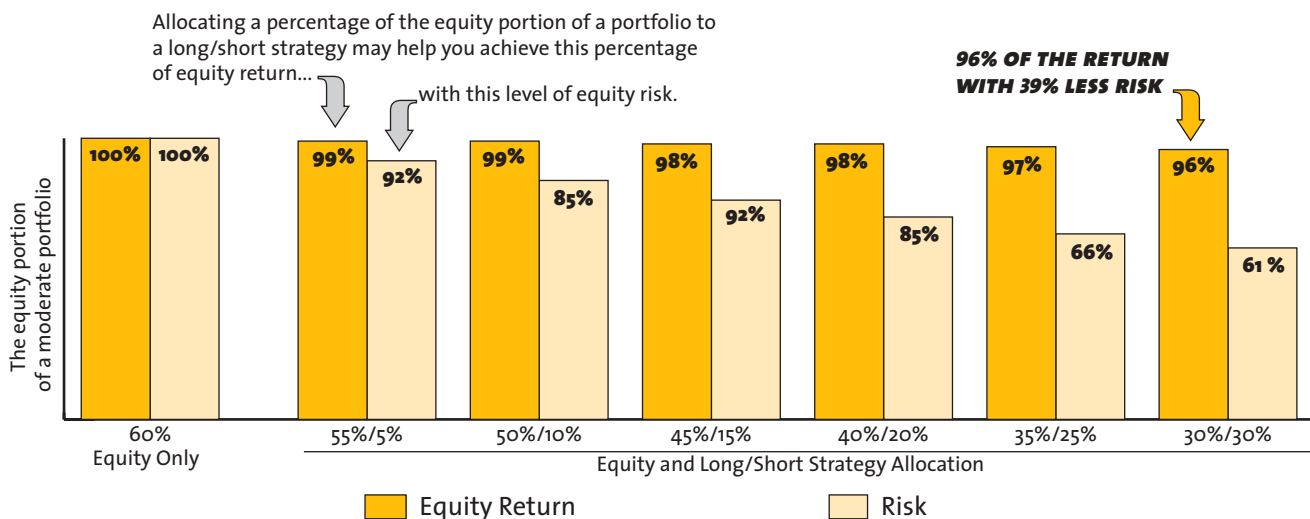
### THE ADVANTAGES OF AXA ROSENBERG LONG/SHORT EQUITY FUNDS

The possibility of a bear or sideways market over the next few years can spell opportunity for investors who employ some type of long/short approach in their equity portfolio. However, few of us have the time or expertise to become hedging experts. That's why increasing numbers of investors choose AXA Rosenberg Long/Short Equity Funds. You too can enjoy these five distinctive benefits:

#### 1) COMPETITIVE RETURNS WITH REDUCED RISK

By diversifying the equity portion of a portfolio with a long/short strategy – investors might receive a higher rate of return with potentially less risk. Assuming a moderate portfolio of 10% cash, 30% bonds and 60% equity, the chart below illustrates of the power a portfolio that includes a long/short strategy in a portfolio allocation.

### SEE THE DIFFERENCE

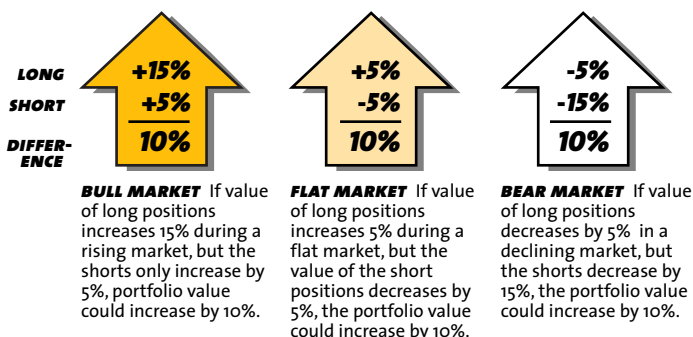


Source: AXA Rosenberg Investment Management LLC. This example is for illustrative purposes only and is not intended to represent the performance of any specific investment or AXA Rosenberg Fund. Past performance is not indicative of future results. For current performance of the AXA Rosenberg Funds, please call 800-555-5737.

## 2) "ALL WEATHER" TOTAL RETURN POTENTIAL

An investor's profit doesn't depend on an up or down market.

### STRATEGIES MAY PERFORM WELL IN ALL MARKETS



Keep in mind that in the bear market scenario, the short position must decline more than long position for the strategy to work.

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## 3) A DIVERSIFIED STRATEGY FOR TODAY'S UNCERTAINTIES

Rather than relying on a "buy and hold" strategy exclusively, investors may be better served by diversifying their investment strategy much the way they already diversify their asset mix, investment style, or selection of managers.

### DIVERSIFICATION

Diversification by	Include(s)...
Asset class	Cash, bonds, equities
Style or sector	Growth, value, etc.
Money manager	AXA Rosenberg and other investment managers
Equity strategy	Buying or selling short, long/short equity funds

## ASK YOUR INVESTMENT PROFESSIONAL FOR MORE INFORMATION ABOUT HOW AXA ROSENBERG'S LONG/SHORT EQUITY FUNDS CAN HELP MEET YOUR NEED FOR ATTRACTIVE RETURNS WITH REDUCED VOLATILITY.

Past performance is not indicative of future results. Investment return and principal value may increase or decrease depending upon market conditions so that an investor's shares, when redeemed, may be worth more or less than their original cost.

Investment in shares of AXA Rosenberg's Value Long/Short Equity Fund and Global Long/Short Equity Fund are more volatile and risky than some other forms of investments. Since the Funds have both a long and a short portfolio, an investment in these Funds will involve risks associated with twice the number of investment decisions made for a typical stock fund. These types of funds typically have a high portfolio turnover that could increase transaction costs and cause short-term capital gains to be realized. While it may be the intent of the Manager to take long positions in stocks that outperform the market and short positions in stocks that underperform the market, in various market climates, there is no assurance that the Manager will be successful.

Small-capitalization funds typically carry additional risks, since smaller companies generally have experienced a greater degree of volatility than average. International investing involves increased risk and volatility. As of 9/30/02, there are no international stocks held in the Global Long/Short Equity Fund.

Distributed by: Barr Rosenberg Funds, Distributor Inc.

For a prospectus containing more complete information including management fees, expenses and other ongoing charges, please call 1-800-555-5737. Please read it carefully before investing.



MUTUAL FUNDS  
A BETTER DECISION

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## 4) ACCESS TO A POWERFUL WEALTH BUILDING STRATEGY

These are hedge funds for "the rest of us." AXA Rosenberg Long/Short Equity Funds make available to the average individual a strategy that institutional investors have been using successfully for years. Investors can get their long/short strategy underway for a minimum \$1,000 investment (\$2,000 for IRAs).

## 5) BETTER DECISIONS

Our expert systems routinely help us gather, analyze and update data on 17,500 companies. Every three minutes, we review the balance sheets and income details of each of those companies, including 6,000 domiciled in the U.S. This process underscores the management of:

### • AXA ROSENBERG VALUE LONG/SHORT EQUITY FUND

**Objective:** Outperform 90-day T-bills, by buying small- and mid-sized U.S. stocks the manager believes will increase in value and shorting stocks the manager believes will decline in value .

### • AXA ROSENBERG GLOBAL LONG/SHORT EQUITY FUND

**Objective:** Outperform 90-day T-bills by holding units of AXA Rosenberg long/short funds that invest in stocks of three geographic zones – the U.S. , Japan and Europe. Within each of these zones, the manager seeks to add value by buying stocks believed likely to increase in value and shorting stocks believed likely to decline in value.