

**Global Emerging Markets Alpha Programme
Monthly Report**

August 2009

PERFORMANCE ANALYSIS (All Accounts)

**Global Emerging Markets Alpha Programme
(February 2008 to August 2009)**

Return Summary

Latest Month	(0.11%)
Year to Date	18.82%
Last 12 Months	22.93%
Annualised Return	16.19%
Sharpe Ratio	2.89
Return to Date	26.82%
% Trading Days Up	55%
% Trading Days Down	45%
Max Daily Drawdown	(1.89%)
Max Monthly Drawdown	(1.14%)
CS Character	2.59
CS Ratio	7.50
Annualised Daily Volatility	8.51%
Annualised Monthly Volatility	5.03%

Return Statistics for August 2009

Largest Daily Drawdown	(0.43%)
Days to Recovery	na
% Trading Days Up	48%
% Trading Days Down	52%
Average Up Day	0.14%
Average Down Day	(0.13%)

The Global Emerging Markets Programme finished a strong run of performance returning a small loss of -0.11%, after 11 consecutive months of positive returns. On a gross of fees basis the portfolio is now up a positive 18.82% for the year to date. The Eastern European as well as the African components performed well after initially starting the month poorly. The portfolio benefitted from exposure to the Polish Zloty through both long and short positions. Long Romanian Lue and Czech Koruna positions were instigated and also returned positively. Long and Short positions throughout August in the South African Rand saw the African component perform steadily. But Turkish Lira longs underperformed as worries about fiscal stability continued to weigh on the Lira.

The good performance in the EEMEA region was offset by poor performance in Asia, despite the general feeling of optimism in the rest of the Global Emerging Markets. Asian currencies struggled as nervousness from the Chinese Equity markets filtered into its neighbours. Our main drawdowns were long positions in Korean Won and Taiwanese Dollar for which we still remain long. Take profits were hit on Long Malaysian Ringgit and Philippine Peso positions. The Long Mexican Peso position implemented in July was the primary driver of the portfolio's poor performance in August, despite performing well for the vast majority of the month the Peso depreciated almost 8% in the last few days of the month, our stop was hit in this sharp move.

Since March the markets have been cautiously bullish on the global economic outlook and this view has been reflected in the continuous irregular price action of the foreign exchange markets. The month of August was no exception, and if anything, this nervous price action was more extreme than it has been in previous months. The major currencies saw volatile moves within bands constrained by option plays, and a similar story prevailed in the Asian markets with the constant intervention from Central Banks.

The Programme starts September generally Long Emerging Market currencies as optimism seems to abound. Solid macroeconomic data releases throughout August seem to substantiate our models positions, and the returning of market liquidity after the August summer holidays should also provide support for this. Our disciplined implementation of stop losses and take profits for every position in the Programme continues to provide downside protection and facilitate the capture of upside potential. During August, our tail risk indicators remained relatively stable; consequently, the Risk Adjusted Trade Size ('RATS') for each position was steady. In spite of the continued swings in daily returns, drawdowns were again effectively contained within parameters; the largest daily drawdown was -0.43% on the 17th of August.

Cambridge Strategy Global Emerging Markets Alpha Monthly Returns

Year	YTD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008	6.73%		1.18%	0.51%	0.91%	-1.14%	0.32%	1.64%	-0.29%	0.25%	2.11%	0.90%	0.18%
2009	18.82%	4.22%	1.44%	4.04%	3.82%	1.54%	1.46%	1.11%	-0.11%				

Performance figures calculated are Gross of fees. The performance data quoted relates to the equal weighted average of the managed accounts with exposure to the Emerging Markets Alpha Programme. From April 2009, this composite carve-out includes managed accounts solely invested in the Global Emerging Markets Alpha Programme (US\$ performance, excluding cash income). Risk Free rate used is US\$ LIBOR (1 month)

Risk Warning:

This brief statement does not disclose all of the risks and other significant aspects of trading in currencies and options. The Cambridge Strategy (Investment Management) Limited manages for and advises to professional investors only. Investors must bear in mind that this type of investment can be volatile, values can decrease as well as increase and that past performance is no guarantee of future performance.