

**Global Emerging Markets Alpha Programme
Monthly Report**

July 2009

PERFORMANCE ANALYSIS (All Accounts)

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

Return Summary

Latest Month	1.11%
Year to Date	18.95%
Last 12 Months	22.71%
Annualised Return	17.25%
Sharpe Ratio	3.08
Return to Date	26.95%
% Trading Days Up	56%
% Trading Days Down	44%
Max Daily Drawdown	(1.89%)
Max Monthly Drawdown	(1.14%)
CS Character	2.62
CS Ratio	8.08
Annualised Daily Volatility	8.71%
Annualised Monthly Volatility	5.04%

Return Statistics for July 2009

Largest Daily Drawdown	(1.82%)
Days to Recovery	na
% Trading Days Up	52%
% Trading Days Down	48%
Average Up Day	0.76%
Average Down Day	(0.73%)

Risk appetite increased in July in the face of evidence suggesting that a global economic recovery appears close at hand. Economic data was generally better than expected and corporate earnings tended to surprise on the upside over the month. Contributing to the optimism, several central banks made comments about pursuing exit strategies from quantitative easing, without any hint of also raising interest rates. The growing optimism precipitated a broad rally in risk assets, which saw many asset classes break out of their trading range. As money flowed into risk assets the US Dollar broadly declined. In fact, the US Dollar broke through its recent lows with many currencies which put the markets on alert that the US Dollar may stay weak for the foreseeable future.

The Global Emerging Markets Programme continued its run of strong performance returning 1.11% on a gross of fees basis and is now up 18.95% (gross of fee) for the year to date. The largest contributors to this performance came predominantly from the Asian and Latam components. Eastern Europe was a weak performer in markets that showed persistent intra-day volatility. In conditions similar to June, our short positions in the Russian Rouble, Hungarian Forint and Polish Zloty performed strongly in the beginning, but missed their take profits. The shift in sentiment to risk seeking mid-month erased the gains on these positions with stops being hit in the Polish Zloty and Hungarian Forint.

The Latin American component of the Programme showed solid performance. The primary driver of this was a short Mexican Peso position which produced positive returns in the first half and hit its take profit levels. The change in sentiment then resulted in long Peso positions being put in place which also produced positive results. The Asian component performed strongly in the early stages of the month, generally with short positioning in the South East Asian currencies. Although some take profits were hit the shift in sentiment from risk averse to risk seeking saw some of the initial gains erased. Nevertheless, overall positive performance was maintained through the close of the month.

The program has started August with generally long emerging currency positions against the US Dollar. Looking ahead we are still positioned for risk, but as always mindful of the aggressive swings still prevalent in the market. A hit and run mentality still seems appropriate, especially during the relatively illiquid northern hemisphere summer. 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 July, 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 -1.82% on the 9th of July.

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	18.95%	4.22%	1.44%	4.04%	3.82%	1.54%	1.46%	1.11%					

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.

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