

**Asian Markets Alpha Programme
Monthly Report**

July 2008

PERFORMANCE ANALYSIS (All Accounts)

**The Asian Markets Alpha Programme
(February 2006 to July 2008)**

Return Summary

Latest Month	1.27%
Year to Date	1.77%
Last 12 Months	25.58%
Annualised Return	18.13%
Sharpe Ratio	1.66
Return to Date	51.68%
% Trading Days Up	59%
% Trading Days Down	41%
Max Daily Drawdown	(1.95%)
Max Monthly Drawdown	(2.57%)
CS Character	2.92
CS Ratio	4.85
Annualised Daily Volatility	10.49%
Annualised Monthly Volatility	8.08%

Return Statistics for July 2008

Largest Daily Drawdown	(0.42%)
Days to Recovery	1
% Trading Days Up	48%
% Trading Days Down	52%
Average Up Day	0.26%
Average Down Day	(0.17%)

July was again a difficult environment, with whipsawing volatility and tough market conditions. Despite this environment, the Programme generated a positive return of 1.27% for the month; and is up 25.58% for the last 12 months, and 1.77% for the year to date. The Programme continues to have a zero allocation to the Systematic Fundamental Strategy as our Global Volatility indicator remains high, and liquidity remains poor. However, we expect the Global Volatility Indicator to signal new Systematic Fundamental trades in August (as we have only been prevented from initiating new trades due to our 2 week "look back" window).

Performance for the month was primarily driven by the long Chinese Renminbi position, short Singapore Dollar position (which was added to during the month) and short Australian Dollar and New Zealand Dollar positions. Profits were taken on many positions during the month including Indonesian Rupiah, Indian Rupee, Korean Won and Taiwan Dollar positions. Consequently, portfolio risk is comparably low at present.

In general, it appears that the recent medium term dollar weakness has come to an end, and we expect to see US Dollar strength going forward, particularly against some of the major currencies such as Australia and New Zealand Dollars. We are seeing strong signals to this effect.

However, the Programme remains long Asian currencies against the US Dollar as many Asian currencies continue to resist US Dollar up moves, and we would not be surprised to see Asian currency strength in a generally US Dollar supportive environment.

The Programme's modified Risk-Adjusted Return measure remained steady during the month and tail risk indicators fell slightly (resulting in a slight increase in the Programme's Risk Adjusted Trade Size to 33 basis points). The Global Volatility Indicator, (our measure of risk aversion) was volatile during the month, once again preventing any trades being placed in the Systematic Fundamental Strategy.

Cambridge Strategy Asian Markets Alpha Monthly Returns

Year	YTD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2006	11.57%		1.24%	1.01%	3.13%	-2.33%	0.42%	2.05%	0.37%	-0.61%	2.51%	0.06%	3.30%
2007	33.58%	0.40%	-0.53%	1.63%	3.04%	1.61%	1.55%	0.33%	4.48%	9.81%	3.61%	4.14%	-0.33%
2008	1.77%	1.58%	-1.18%	0.82%	0.83%	-2.57%	1.08%	1.27%					

Performance figures calculated are Gross of fees

The returns are representative of an average of the managed accounts traded. 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.