

Global Emerging Markets Alpha Programme Monthly Report

June 2009

PERFORMANCE ANALYSIS (All Accounts)

Global Emerging Markets Alpha Programme (February 2008 to June 2009)

Return Summary

Latest Month	1.46%
Year to Date	17.65%
Last 12 Months	23.35%
Annualised Return	17.43%
Sharpe Ratio	3.01
Return to Date	25.56%
% Trading Days Up	56%
% Trading Days Down	44%
Max Daily Drawdown	(1.89%)
Max Monthly Drawdown	(1.14%)
CS Character	2.57
CS Ratio	7.66
Annualised Daily Volatility	8.27%
Annualised Monthly Volatility	5.19%

Return Statistics for June 2009

Largest Daily Drawdown	(0.28%)
Days to Recovery	8
% Trading Days Up	82%
% Trading Days Down	18%
Average Up Day	0.11%
Average Down Day	(0.17%)

June was a quiet month for risk assets with relatively few 'surprises' in economic data releases although market volatility was still significant. There were mixed messages for the Dollar. The US Treasury allowed several of the larger US banks to repay \$68bn of TARP funds, which was interpreted as a sign of stability for financial markets. There was further optimism when the Federal Reserve Bank's Open Market Committee hinted they might start winding down their asset buying program, but they also reaffirmed rates would stay low for some time suggesting ongoing concerns with the economy. The US Dollar's reserve currency status became a hot topic, particularly amongst the BRIC nations who held their first ever joint summit. Concerns for the Dollar were soon negated by Russian and Chinese comments that there is no viable alternative and they strongly indicated that neither desires a weaker US Dollar.

The Global Emerging Markets Programme continued its run of good performance and was up 1.46% on a gross of fees basis. The Eastern Europe, Middle East and Africa component of the portfolio was essentially flat over the month though performance was variable. Initial short positions in the Polish Zloty and Hungarian Forint produced positive results, but conditions reversed toward the end of the month and these profits were eroded.

The Latin American component of the Programme showed a good performance. Our short US Dollar/Brazilian Real position returned strong positive gains, but these were somewhat offset by negative results from our long position in US Dollars/Mexican Peso. The key driver for the Asian component came from the Southeast Asian currencies primarily a short position in the Philippine Peso. Overall the portfolio returned a strong 1.46% (gross of fees) for the month, bringing the return for 2009 thus far to 17.65% (gross of fees). The programme ended the month positioned generally long USD/Rouble along with long USD/Asia as a result of a variety of change in trend signals triggered in the latter stages of the month.

Despite the continuing volatile market environment, 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 June, our tail risk indicators declined slightly; consequently, the Risk Adjusted Trade Size ('RATS') for each position was relatively stable. In spite of continued sharp swings in daily returns and market risk alternating between risk seeking and risk aversion, drawdown's were again effectively contained in June; the largest daily drawdown was -0.28% on the 16th of June.

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	17.65%	4.22%	1.44%	4.04%	3.82%	1.54%	1.46%						

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.