

June 2008

Extended Markets Alpha Programme Monthly Report

PERFORMANCE ANALYSIS (All Accounts)

Extended Markets Alpha Programme (April 2004 to June 2008)

Return Summary

Latest Month	(0.47%)
Year to Date	(0.59%)
Last 12 Months	6.83%
Annualised Return	15.36%
Sharpe Ratio	1.57
Return to Date	83.57%
% Trading Days Up	65%
% Trading Days Down	35%
Maximum Daily Drawdown	(1.32%)
Maximum Monthly Drawdown	(1.87%)
CS Character	3.14
CS Ratio	4.92
Annualised Daily Volatility	5.23%
Annualised Monthly Volatility	7.32%

Return Statistics for June 2008

Maximum Daily Drawdown	(0.46%)
Days to Recovery	n/a
% Trading Days Up	38%
% Trading Days Down	62%

June was again a difficult month with whipsawing volatility and thin illiquid market conditions, as risk aversion remained high. The Programme returned a loss of 0.47% (reaching the trough for the month of -0.85% on 25th June). The Programme has returned 6.83% in the last 12 months, but is down 0.59% year to date and has a return since inception of 15.36% per annum.

The Emerging markets component of the Programme saw a reversal in some of its losses over the month, particularly in the Eastern Europe and African components. The key drivers of performance in this component of the Programme were losses on the long South African Rand position and the short Hungarian Forint position (which was stopped out).

Countering these declines, were drivers of positive performance in Asia from short Singapore Dollar position versus the US Dollar and a long Chinese Renminbi position, both of which performed well. In addition, a short Philippine Peso position was initiated as the market broke higher and this position also contributed positively to performance.

In the Developed markets element of the Programme, performance was largely flat. Long term mean reversion signals in several Japanese Yen crosses were initiated, including the GB Sterling and Euro crosses.

The Programme's modified Risk-Adjusted Return measure declined during the month and tail risk indicators rose slightly (although not enough for our Risk Adjusted Trade Size (RATS) to be modified). It continues to have a zero allocation to the Systematic Fundamental Strategy as our Global Volatility indicator remains high, and liquidity remains poor. This indicator has, however, continued to decline significantly in recent times and we anticipate re-entering this Strategy in the near term.

Cambridge Strategy Extended Markets Alpha Programme Monthly Returns

Year	YTD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2004	39.25%				0.71%	4.38%	0.06%	1.41%	1.78%	7.64%	8.67%	7.86%	1.66%
2005	13.94%	1.19%	2.64%	0.84%	0.01%	2.24%	0.56%	2.54%	0.55%	1.11%	1.00%	-0.01%	0.51%
2006	5.94%	0.56%	1.44%	0.53%	1.01%	-0.48%	0.00%	0.69%	-0.03%	-0.03%	0.84%	0.27%	1.00%
2007	9.86%	-0.07%	-0.14%	0.67%	1.15%	0.16%	0.47%	0.26%	0.03%	6.10%	-0.33%	1.63%	-0.30%
2008	-0.59%	-0.30%	-1.28%	0.52%	1.43%	-0.47%	-0.47%						

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 (Asset 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.