

**Asian Markets Alpha Programme
Monthly Report**

February 2009

PERFORMANCE ANALYSIS (All Accounts)

**Asian Markets Alpha Programme
(February 2006 to February 2009)**

Return Summary

Latest Month	0.94%
Year to Date	2.98%
Last 12 Months	10.69%
Annualised Return	17.77%
Sharpe Ratio	1.84
Return to Date	65.60%
% Trading Days Up	56%
% Trading Days Down	44%
Max Daily Drawdown	(1.95%)
Max Monthly Drawdown	(2.57%)
CS Character	2.91
CS Ratio	5.35
Annualised Daily Volatility	10.33%
Annualised Monthly Volatility	7.40%

Return Statistics for February 2009

Largest Daily Drawdown	(1.31%)
Days to Recovery	n/a
% Trading Days Up	60%
% Trading Days Down	40%
Average Up Day	0.37%
Average Down Day	(0.44%)

The turmoil in financial markets continued in February amid concerns over a deepening global recession; with several nations announcing, or increasing, fiscal stimulus packages. The US Dollar's negative correlation with risk appetite continued as the dollar was generally strong against more risk orientated currencies. However, the Japanese Yen's role as a safe haven currency was undermined due to some very weak economic data coming out of Japan.

Fortunately, the Programme was well positioned for the deeply negative sentiment and returned +0.94% for the month (gross of fees), its ninth consecutive positive month. The Programme was long the US Dollar and benefited substantially from its strength over the month. The key positive contributors to the Programme's return in February were short Emerging Asia (Taiwan, Singapore and Korea) versus the US Dollar.

The repercussions of the financial slowdown on Asia are now truly starting to be felt. Many countries in Asia have a high percentage of their GDP composed of exports and are experiencing a massive slowdown in manufacturing and consumption. As a consequence the authorities in some countries are aggressively seeking depreciation of their currencies.

One of the vulnerabilities of Asia (ex Japan) in a global recession is that the region does not export products that are viewed as essential goods. Much of Asia's exports are bought with discretionary income which is rapidly shrinking in the developed world. Furthermore, Asia is both energy and raw materials deficient and the developed parts of Asia are net importers of foodstuff in aggregate.

For these reasons, we are of the opinion that the Asian currencies still have further depreciation ahead. However, we also expect volatility to remain high. This requires us to be both cautious and attentive; in this environment it is necessary for us to be very nimble to successfully manage the Programme.

In February, we again effectively contained drawdowns, with the largest daily drawdown being -1.31% on the 20th February. Our diligent and disciplined implementation of stop losses for every position in the Programme provides strict downside protection. However, the persistently high levels of volatility have triggered an overall reduction in the level of risk the Programme will take on with any trade. We have also experienced a rise in our tail risk which has further motivated a more conservative posture in the Programme. We believe that the success we have achieved is just as importantly driven by our risk management disciplines as by our alpha generation.

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	7.90%	1.58%	-1.18%	0.82%	0.83%	-2.57%	1.08%	1.27%	0.30%	2.55%	2.44%	0.41%	0.21%
2009	2.98%	2.02%	0.94%										

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.

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