

Asian Markets Alpha Programme Monthly Report

April 2009

PERFORMANCE ANALYSIS (All Accounts)

Asian Markets Alpha Programme (February 2006 to April 2009)

Return Summary

Latest Month	0.25%
Year to Date	1.90%
Last 12 Months	7.75%
Annualised Return	16.41%
Sharpe Ratio	1.68
Return to Date	63.88%
% Trading Days Up	54%
% Trading Days Down	46%
Max Daily Drawdown	(1.95%)
Max Monthly Drawdown	(2.57%)
CS Character	2.89
CS Ratio	4.87
Annualised Daily Volatility	10.24%
Annualised Monthly Volatility	7.38%

Return Statistics for April 2009

Largest Daily Drawdown	(1.04%)
Days to Recovery	n/a
% Trading Days Up	55%
% Trading Days Down	45%
Average Up Day	0.39%
Average Down Day	(0.44%)

Optimism and risk appetite grew through the month of April fed by a flow of positive news. The good news included an announcement by the G20 during their meeting in London that they were taking steps to increase funding for the IMF. They underscored the importance of the IMF's role in maintaining economic stability in the developing economies. Economic releases from the G7 governments and from the IMF generally showed a more positive global economic environment and Q1 corporate earnings generally surprised on the upside. Investors appear to believe that the worst of the economic crisis is behind us and the global equity markets recorded their largest monthly gains in over 5 years.

Asian currency markets responded positively to the increase in risk appetite and rallied sharply early in the month. Asian currencies also benefited from a big step forward in the relations between China and Taiwan as China significantly liberalised rules restricting investment flows into Taiwan. As a consequence the NT dollar rallied sharply and turnover was at its highest level in 3 years.

The Programme was well positioned for this increase in risk appetite through long positions in the Korean Won, Malaysian Ringgit and the Philippines Peso and cross positions against the Japanese Yen and it enjoyed strong performance early in the month. The Programme, however, was short both the Taiwanese and Singapore dollars and the rally in these currencies later in the month eroded its return (the Programme was in fact stopped out of both of these positions). Nevertheless, it managed to eke out a 0.25% return (gross of fees) gain for the month and is now 1.9% ahead (gross of fees) on a year to date basis.

The news from China had a spill-over effect as investors now anticipate an increase in investment flows from China into other parts of the region. The fiscal stimulus package introduced by China and rising growth expectations should also mark an increase in demand for imports from China, further good news for the region. Investment flows into the region have picked up noticeably and this trend should continue even if the Chinese are slow to contribute. All in all we expect to see the local Asian currencies continuing to appreciate as the central banks are not in a position to offset the upward pressure.

Our disciplined implementation of stop losses for every position in the Programme continued to provide protection in this turbulent market environment. Our tail risk indicators finally began to decline during the month allowing us to modestly increase the Risk Adjusted Trade Size ('RATS') for each position in the Programme. In April daily drawdowns were effectively contained; the largest daily drawdown was -1.04% on the 29th April.

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	1.90%	2.02%	0.94%	-1.29%	0.25%								

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.