

Extended Markets Alpha Programme Monthly Report

April 2009

PERFORMANCE ANALYSIS (All Accounts)

Extended Markets Alpha Programme (April 2004 to April 2009)

Return Summary

Latest Month	0.50%
Year to Date	4.66%
Last 12 Months	9.34%
Annualised Return	14.90%
Sharpe Ratio	1.56
Return to Date	102.62%
% Trading Days Up	61%
% Trading Days Down	39%
Maximum Daily Drawdown	(1.92%)
Maximum Monthly Drawdown	(2.53%)
CS Character	3.12
CS Ratio	4.86
Annualised Daily Volatility	7.11%
Annualised Monthly Volatility	7.32%

Return Statistics for April 2009

Maximum Daily Drawdown	(1.23%)
Days to Recovery	na
% Trading Days Up	45%
% Trading Days Down	55%

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.

The USD maintained its negative correlation with risk appetite and came under pressure early in the month. However, towards month end, the market's optimism was overshadowed by rumours that US regulators would release the results of the "stress test" on US banks, which would reveal that a number of US banks needed to raise significant amounts of capital. The outbreak of swine flu also helped to abate the optimism.

While the Programme struggled through much of the month, the reversal in sentiment at month end contributed positively to performance and the Programme returned 0.50% (gross of fees) for the month, recovering some of the losses incurred in March. It has returned 4.66% (gross of fees) thus far in 2009.

As with March, the key drivers of return were at a regional level. In particular, the Programme was long the Eastern European currencies versus the US Dollar which added significantly to the return due to a sell off at month end and more than accounted for declines in the other regions in the Programme. As we mentioned in our March report, we expect risk appetite to remain fragile and to be subject to quick reversals (as came to pass in April). To that end, we expect the Programme to maintain a flexible approach to positioning.

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 again effectively contained; the largest daily drawdown was -1.23% on the 7th April.

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	4.84%	-0.30%	-1.28%	0.52%	1.43%	-0.47%	-0.47%	1.26%	0.21%	-0.52%	1.40%	2.49%	0.53%
2009	4.66%	6.09%	0.71%	-2.53%	0.50%								

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.