

## PERFORMANCE ANALYSIS (All Accounts)

### Global Emerging Markets Alpha Programme (February 2008 to May 2009)

#### Return Summary

Latest Month	1.54%
Year to Date	15.95%
Last 12 Months	21.97%
Annualised Return	17.33%
Sharpe Ratio	2.88
Return to Date	23.75%
% Trading Days Up	53%
% Trading Days Down	47%
Max Daily Drawdown	(1.78%)
Max Monthly Drawdown	(1.14%)
CS Character	2.51
CS Ratio	7.22
Annualised Daily Volatility	9.60%
Annualised Monthly Volatility	5.36%

#### Return Statistics for May 2009

Largest Daily Drawdown	(0.55%)
Days to Recovery	na
% Trading Days Up	62%
% Trading Days Down	38%
Average Up Day	0.27%
Average Down Day	(0.31%)

## Global Emerging Markets Alpha Programme Monthly Report May 2009

The rally in risky assets continued in May with both equities and commodities experiencing further price increases. Consistent with this theme, the US Dollar continued to weaken and some of the commodity currencies reached levels not seen since the collapse of Lehman Brothers.

Although currencies broadly strengthened against the US Dollar, the move in emerging markets was noticeably weaker than the moves recorded against the majors in the G10 space. Eastern Europe saw the strongest performance, followed by Latin America and then Asia.

The Programme entered May well positioned to take advantage of the US Dollar weakness against emerging market currencies, and returned a solid 1.54% (gross of fees) for the month, bringing the return for 2009 thus far to 15.95% (gross of fees).

During the month, take profits were hit in long South African Rand, Polish Zloty and Hungarian Forint positions versus the US Dollar that had been carried forward from April. Within the Asian component of the Programme, the key driver of the slightly negative return was a long exposure to the US Dollar versus the Singapore Dollar. The losses on this currency pair more than offset winning long positions in the US Dollar versus the Taiwanese Dollar and Korean Won (both of which actually weakened over the month). Within the LATAM component of the Programme, the key driver of positive performance was a long Mexican Peso versus the US Dollar position.

The programme ended the month positioned generally short emerging market currencies against the US Dollar as a result of a variety of change in trend signals triggered in the latter stages of the month. Consequently, many of the positions changed from short US Dollar to long US Dollar exposure.

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 May, our tail risk indicators declined further; consequently, the Risk Adjusted Trade Size ('RATS') for each position was modestly increased. In spite of the sharp swings in daily returns, drawdowns were again effectively contained in May; the largest daily drawdown was -0.55% on the 21<sup>st</sup> May.

### 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	15.95%	4.22%	1.44%	4.04%	3.82%	1.54%							

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.