

**Asian Markets Alpha Programme
Monthly Report**

November 2008

PERFORMANCE ANALYSIS (All Accounts)

**The Asian Markets Alpha Programme
(February 2006 to November 2008)**

Return Summary

Latest Month	0.41%
Year to Date	7.67%
Last 12 Months	7.32%
Annualised Return	18.17%
Sharpe Ratio	1.78
Return to Date	60.48%
% Trading Days Up	55%
% Trading Days Down	45%
Max Daily Drawdown	(1.95%)
Max Monthly Drawdown	(2.57%)
CS Character	2.89
CS Ratio	5.15
Annualised Daily Volatility	10.32%
Annualised Monthly Volatility	7.68%

Return Statistics for November 2008

Largest Daily Drawdown	(1.43%)
Days to Recovery	2
% Trading Days Up	50%
% Trading Days Down	50%
Average Up Day	0.55%
Average Down Day	(0.51%)

Market conditions remained difficult during November, however, the Programme returned +0.41% on a gross basis for the month (a sixth consecutive positive month) and has returned +7.67% (gross) YTD.

The Programme started the month well, and was up 2% by the middle of the month. However, we experienced a sharp pick-up in risk sentiment mid-month that negatively impacted returns. Several stop losses were triggered as the Asian currencies rallied and the US Dollar sold off. Overall though, we benefited from short positions in the emerging Asian markets. The key positions that contributed positively to performance over the month were short the Korean Won, and Indonesian Rupiah and long the Japanese Yen.

Whilst risk aversion is now somewhat below the historical all-time highs seen in October, we remain defensively positioned, and our risk allocation remains comparatively low in relation to historical levels. Liquidity improved during November; however, with the traditionally thin December markets coming up, and given the volatile market conditions, we are maintaining tight controls on liquidity and VaR risk during December.

In November, we again successfully contained drawdowns, with the largest daily drawdown being -1.43% on the 4th of November. Our tail risk indicators are now high further motivating us to limit our risk positions. Our uncorrelated "Hard" VaR is close to our Monte-Carlo VaR, as we have reduced the number of positions in the last several months. The extensive focus on our risk management systems has positively contributed to performance during these extreme market conditions, and we remain very confident that risk is well controlled.

Market conditions remain poor and many longer-term positions have been closed out as short-term flows continue to dominate market moves. We do not see current conditions improving dramatically in the near term, but volatility has declined to more sensible levels in November, and we believe that the conditions are certainly in place for the Programme to generate alpha in the coming months. Furthermore, we expect the negative correlations we have observed this year with many other asset classes to continue bringing ongoing diversification benefits to our investors.

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	7.67%	1.58%	-1.18%	0.82%	0.83%	-2.57%	1.08%	1.27%	0.30%	2.55%	2.44%	0.41%	

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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