

**Asian Markets Alpha Programme
Monthly Report**

September 2008

PERFORMANCE ANALYSIS (All Accounts)

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

Return Summary

Latest Month	2.55%
Year to Date	4.68%
Last 12 Months	12.58%
Annualised Return	18.15%
Sharpe Ratio	1.72
Return to Date	56.02%
% Trading Days Up	55%
% Trading Days Down	45%
Max Daily Drawdown	(1.95%)
Max Monthly Drawdown	(2.57%)
CS Character	2.90
CS Ratio	4.99
Annualised Daily Volatility	10.17%
Annualised Monthly Volatility	7.88%

Return Statistics for September 2008

Largest Daily Drawdown	(1.01%)
Days to Recovery	3
% Trading Days Up	55%
% Trading Days Down	45%
Average Up Day	0.54%
Average Down Day	(0.36%)

Despite particularly challenging conditions, we are pleased to report that the Programme returned +2.55% for September. During September, volatility continued to rise, the credit markets remained frozen and Asian emerging markets currencies retreated broadly against the US Dollar.

We saw unprecedented market moves in September, as global markets are now in an unmitigated crisis. Our Global Volatility Indicator rose to all time highs, and our small Systematic Fundamental Strategy allocation was cut almost as soon as it had been initiated. Liquidity remains an issue, however, our risk budget is relatively low by historical standards, and we remain confident that we are still within our 24 hour liquidation policy guideline, even in these adverse conditions.

The key positions that contributed to performance during the month were short Philippine Peso, Indian Rupee, Korean Won and Australian Dollar; and long the Japanese Yen. We continue to hold our long Renminbi positions, which negatively impacted performance in September.

Market conditions remain poor, short term volatility is high, but our strict adherence to our highly structured risk management systems contributed significantly to our success this month. However, we were stopped out of some potentially very profitable positions, particularly in the Korean Won, as daily volatility reached levels not seen in years. Markets remain very difficult and risk management (in particular tail risk management), remain absolutely essential for continuing success. Our risk management continues to generate alpha, especially in these challenging market conditions.

The Programme's modified Risk-Adjusted Return measures increased during the month (but tail risk increased significantly), resulting in a further decline in the Programme's Risk Adjusted Trade Size (RATS) to 29 basis points. The Global Volatility Indicator hit a daily high of 11.24, the highest we have ever seen, and the seven day moving average moved up towards 10, materially above the threshold for investment in the Systematic Fundamental Strategy.

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	4.68%	1.58%	-1.18%	0.82%	0.83%	-2.57%	1.08%	1.27%	0.30%	2.55%			

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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