

**Extended Markets Alpha Programme
Monthly Report**

January 2009

PERFORMANCE ANALYSIS (All Accounts)

Extended Markets Alpha Programme
(April 2004 to January 2009)

Return Summary

Latest Month	6.09%
Year to Date	6.09%
Last 12 Months	11.56%
Annualised Return	16.06%
Sharpe Ratio	1.70
Return to Date	105.38%
% Trading Days Up	62%
% Trading Days Down	38%
Maximum Daily Drawdown	(1.92%)
Maximum Monthly Drawdown	(1.87%)
CS Character	3.07
CS Ratio	5.21
Annualised Daily Volatility	6.68%
Annualised Monthly Volatility	7.30%

Return Statistics for January 2009

Maximum Daily Drawdown	(0.64%)
Days to Recovery	2
% Trading Days Up	73%
% Trading Days Down	27%

The turn of the New Year did not signal an end to the dislocation that we saw in 2008, with financial markets again in turmoil as financial institutions globally came under intense pressure. In many instances their relevant authorities were pressured to initiate a second round of bailouts (shortly after taking his oath of office, President Obama announced a \$775bn stimulus package).

The Dollar sharply reversed its December fall and showed that its negative correlation to risk appetite was intact as the New Year equity rally fizzled out. To make matters worse a number of sovereign downgrades were announced. We were positioned on the right side of these events and the Programme returned +6.09% on a gross basis for the month.

In this environment, the Programme benefited substantially from this dollar rally and associated risk adverse environment, the key positive contributors to returns in January were long the US Dollar versus short Emerging Europe (Russia, Hungary, Poland) and short Emerging Asia (Taiwan, Singapore and Korea). Going forward, we still expect more bad news and the risk adverse environment to continue, with many markets to remain illiquid and very volatile.

In January, we again successfully contained drawdowns, with the largest daily drawdown being -0.64% on the 15th January. As mentioned in our reports in recent months, our uncorrelated "Hard" VaR continues to be close to our Monte-Carlo VaR.

We do not expect market sentiment to improve anytime soon; however, we continue to implement our Systematic Trading Strategies with a careful eye; not only on trading, strategy and portfolio risk, but also liquidity issues. That said; we believe that the conditions are in place to continue to generate alpha (the Programme was up over 10% in the last 6 months) in the coming months. Furthermore, we expect the negative correlations we have observed during 2008 with many other asset classes to continue to provide diversification benefits to our investors.

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	6.09%	6.09%											

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.