

**Asian Markets Alpha Programme
Monthly Report**

November 2007

PERFORMANCE ANALYSIS (All Accounts)

**The Asian Markets Alpha Programme
(February 2006 to November 2007)**

Return Summary

Latest Month	3.64%
Year to Date	28.86%
Last 12 Months	32.46%
Annualised Return	21.22%
Sharpe Ratio	2.45*
Return to Date	42.30%
% Trading Days Up	55%
% Trading Days Down	45%
Maximum Daily Drawdown	(1.95%)
Largest Monthly Drawdown	(1.84%)
CS Character	2.82
CS Ratio	3.03
Annualised Daily Volatility	10.86%
Annualised Monthly Volatility	7.09%

*Risk Free rate used is 2.5% consistent with Barclays Index

Return Statistics for November 2007

Latest Month	3.64%
Largest Daily Drawdown	(1.47%)
Days to Recovery	Not Recovered
% Trading Days Up	55%
% Trading Days Down	45%
Average Up Day	0.69%
Average Down Day	(0.46%)

The strategy again performed well, returning 3.64% on the month and it is now up 28.86% on the year and 32.46% for the last twelve months. However considerable volatility hid behind the numbers with the Fundamental Strategy losing 2.30% and the Technical Strategy making 5.94% as our Global Volatility Indicator hit highs not seen in nearly 3 years. In fact, the Fundamental Strategy went to a 0% allocation in the third week of the month for the first time since the strategy went live in February 2006. Daily global volatility hit a high of 7.67%, and the 7 day moving average moved through 7% on the 20th of November prompting a complete closure of all Fundamental trades. However the negative correlation of the Technical Strategy to the Fundamental Strategy held well this month. As volatility kept rising, carry trades were unwound and Dollar/Yen moved down from above 115 to close the month at 111, while the Australian Dollar declined from above 92 cents to 88 cents.

The strategy saw little return from our Malaysian Ringitt and Rupiah positions as congestive price action dominated, and we were stopped out of our long Hong Kong Dollar position and we now have no exposure. Currently our biggest position is short Australian dollars, followed by long Malaysian Ringitt, long Yen, long Singapore Dollars and long Indonesian Rupiah. We remain short Philippine Peso's, a position which despite an attempted coup in Manila still managed to cost the strategy money in November.

Given the elevated level of volatility over the month, and with liquidity declining and our tail risk increasing (as measured by our CS Character), we reduced risk during the month.

We expect December to remain volatile and the reduction in our modified Sharpe ratio during the month indicates that current volatility does not justify appropriate expected returns. As a result currently our portfolio is largely defensive with many currencies in mid-ranges and few signals being generated. The largest daily drawdown was 1.47% on the 12th of November and at that point the strategy was up 4.11% on the month, a high water mark that has not been seen again as the second half of the month saw some losses as choppy markets dominated.

News was similarly thin. Premier Wen of China reiterated a policy of gradualism on the Yuan, the Philippines reported a Balance of Payments surplus above expectations which boosted the Peso. Several central banks in the region led by South Korea, Indonesia and the Philippines again expressed concern over the strength of their respective currencies.

Cambridge Strategy Asian Markets Alpha Monthly Returns

Year	YTD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2006	10.43%		1.12%	0.93%	2.68%	-1.84%	0.45%	1.69%	0.39%	-0.43%	2.15%	0.12%	2.8%
2007	28.86%	0.41%	-0.37%	1.41%	2.58%	1.41%	1.35%	0.35%	3.79%	8.25%	3.11%	3.64%	

Performance figures calculated include only margin interest received and are net of fees.

The returns are representative of an average of the managed accounts traded.

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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