

## Extended Markets Alpha Programme Monthly Report

September 2007

### PERFORMANCE ANALYSIS (All Accounts)

#### Extended Markets Alpha Programme (April 2004 to September 2007)

##### Return Summary

|                          |         |
|--------------------------|---------|
| Latest Month             | 5.90%   |
| Year to Date             | 8.48%   |
| Last 12 Months           | 10.71%  |
| Sharpe Ratio             | 1.96    |
| Return to Date           | 78.93%  |
| % Trading Days Up        | 55%     |
| % Trading Days Down      | 45%     |
| Maximum Daily Drawdown   | (1.03%) |
| Maximum Monthly Drawdown | (0.46%) |

##### Return Statistics for September 2007

|                        |         |
|------------------------|---------|
| Latest Month           | 5.90%   |
| Maximum Daily Drawdown | (0.46%) |
| Days to Recovery       | 13      |
| % Trading Days Up      | 60%     |
| % Trading Days Down    | 40%     |
| Average Up Day         | 0.45%   |
| Average Down Day       | (0.11%) |

Clear indications that the financial crisis in the US is spreading to the greater economy saw the first negative Non-Farm Payroll number since 2003 and a sharp decline in consumer confidence. In an attempt to ease the strain the Federal Reserve cut both the discount and Fed funds rates by 50 basis points. The cut saw equity markets rally and high yielding currencies outperform as investors added risk. The greater than expected rate cut and future Fed easing expectations saw the Dollar underperform against all its major trading partners, with the Dollar Index reaching all-time lows.

News that Northern Rock, the UK mortgage lender had sought emergency funding from the Bank of England saw a rapid sell-off in the Pound as fears over the subprime crisis in the U.S. spread across the Atlantic. Liquidity was injected into the UK financial sector for the first time since the global credit crunch began. The Pound outperformed the US Dollar but was broadly weaker against the other major currencies. The Euro continued to hit all time highs against the Dollar, boosted by Dollar weakness and continuing hawkish rhetoric from the European Central Bank.

With Gold above 700 and stronger risk appetite seeing demand for yield return, the Australian Dollar and the New Zealand Dollar were the month's best performers. Oil prices nearing \$80 and positive M&A flows in Canada saw the Canadian Dollar reaching parity against the U.S. Dollar.

Aggressive action by The Fed has increased market confidence and renewed risk appetite. However the potential remains for continued selling as the market still remains sensitive to newsflow. This should keep market volatility elevated, which we expect to be positive for our strategy. The strategy returned 5.90% in September putting it up 8.48% for the year to date.

### Cambridge Strategy Extended Markets Alpha Programme Monthly Returns

| Year | YTD    | Jan    | Feb    | Mar   | Apr   | May    | Jun   | Jul   | Aug    | Sep    | Oct   | Nov    | Dec   |
|------|--------|--------|--------|-------|-------|--------|-------|-------|--------|--------|-------|--------|-------|
| 2004 | 37.83% |        |        |       | 0.69% | 4.24%  | 0.06% | 1.36% | 1.72%  | 7.39%  | 8.39% | 7.61%  | 1.61% |
| 2005 | 13.46% | 1.15%  | 2.55%  | 0.81% | 0.01% | 2.17%  | 0.54% | 2.46% | 0.53%  | 1.07%  | 0.97% | -0.01% | 0.49% |
| 2006 | 5.73%  | 0.54%  | 1.39%  | 0.51% | 0.98% | -0.46% | 0.00% | 0.67% | -0.03% | -0.03% | 0.81% | 0.26%  | 0.97% |
| 2007 | 8.48%  | -0.07% | -0.14% | 0.65% | 1.11% | 0.15%  | 0.45% | 0.25% | 0.03%  | 5.90%  |       |        |       |

### Eurohedge Monthly Returns

| Year | YTD   | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct   | Nov   | Dec   |
|------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|-------|
| 2004 | 1.90% |        |        |        | -1.30% | -0.62% | -0.29% | 0.28%  | -0.26% | -0.05% | 0.38% | 2.39% | 1.04% |
| 2005 | 2.73% | -0.42% | 0.09%  | -0.23% | 0.12%  | 0.64%  | 0.44%  | 0.33%  | -0.88% | 1.12%  | 0.36% | 1.12% | 0.03% |
| 2006 | 1.84% | -0.09% | 0.68%  | -0.08% | 0.14%  | -0.05% | -0.17% | -0.10% | -0.09% | 0.42%  | 0.48% | 1.28% | 0.26% |
| 2007 | 1.06% | 0.75%  | -0.59% | 0.40%  | 0.53%  | -0.10% | 0.97%  | 0.08%  | -0.97% |        |       |       |       |

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 (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.