The Cambridge Strategy™

Media Release

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Currency trades bring positive returns for The Cambridge Strategy

The active currency risk manager, The Cambridge Strategy, has defied extreme market conditions to report strongly positive returns in 2008 from currency trading in both its Extended and Asian Markets Alpha Programmes and these positive returns have continued in 2009.

The London-based asset management company, which has won an Australian mandate, has reported a 0.21 per cent return in December for its Asian Markets Alpha Program (7.90% per cent for the year), the seventh consecutive positive month at a time of extreme market volatility.

As well, the Extended Markets Alpha Program returned 0.53 per cent in December, with the program returning 4.84 per cent for the year and 14.92 per cent per annum since its inception in 2004.

Further, the Extended Markets Alpha Programme returned 6.1% in January 2009 and the Asian Markets Alpha Programme returned 2.0% for the month.

The Cambridge Strategy's positive return's highlight how this asset class has been able to generate alpha in both a highly volatile market environment in which most asset classes have posted negative returns.

Peter Henricks, CEO, said: "The currency markets, like all markets, have experienced a significant rise in volatility since July 2007, and some dampening of liquidity. However, whenever there is a change in money flows there is a corresponding change in the implied demand for the currencies involved.

"This creates a continuing source of opportunity for the currency manager – obviously an opportunity that's not available to managers of other asset classes," he said.

Mr Henricks said the performance of the funds during September and October were very pleasing, as volatility reached levels not seen in years and investors moved quickly into safe-haven currencies.

"One of the most striking observations over 2008 was the lack of diversification that investors have experienced across most investment strategies," he said.

"The problem here is that correlations that appear low in normal market circumstances rise significantly during times of extreme market distress. On the other hand, we have been pleased to observe low correlations between our programmes and most other asset classes in this market environment," he said.

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About the Cambridge Strategy:

The Cambridge Strategy (Asset Management) Limited is a London based asset management company that has been managing money for its clients since 2004. The Cambridge Strategy focuses on the world's currency markets and offers proprietary actively traded currency programs across global markets, developing markets and Asian markets. It also offers an active currency overlay program.

The principals of the Cambridge Strategy have over 70 years experience in the investment management industry and bring a diverse and distinctive set of skills to the Cambridge Strategy. In 2007, the firm was nominated for currency manager of the year by Professional Pensions: Specialist and Alternative Investment Manager Awards.
The Cambridge Strategy (Asset Management) Limited is authorised by the U.K. Financial Services Authority ("FSA") and is registered as an Investment Adviser with the US Securities and Exchange Commission ("SEC").

Contacts:

Derek Doupe
Director of Marketing
The Cambridge Strategy
Tel: +44 207 290 3456

Simrita Virk
Consultant
Shed Enterprises
Tel: 0434 531 172