



Trading Strategy

Day Trading (Systematic) / Diversified

Program Description

Being a day-trade program, all positions are exited before the end of day to eliminate any overnight risk. This is an edge that allows the Program to manage the portfolio more aggressively with a higher margin/equity ratio. Besides, as the Asian markets are closed during the European and US sessions, all Asian contracts positions are exited as well. The margin allocated for trading Asian markets will then allocated for trading European and US markets. In other words, it can use the same capital to invest in more markets and so as to capture more opportunities and more profit while reducing the risk exposure. With such arrangement, the average monthly return has been increased while the portfolio maximum drawdown has been reduced in our rigorous back tests and actual trading. However, there can be no assurance that such arrangement would not increase the risk exposure in the future, especially when the historically non-correlated strategies and/or markets may at times exhibit a high degree of correlation.

Investment Information

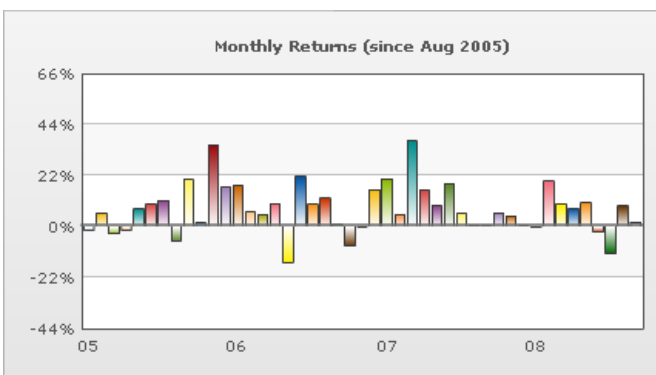
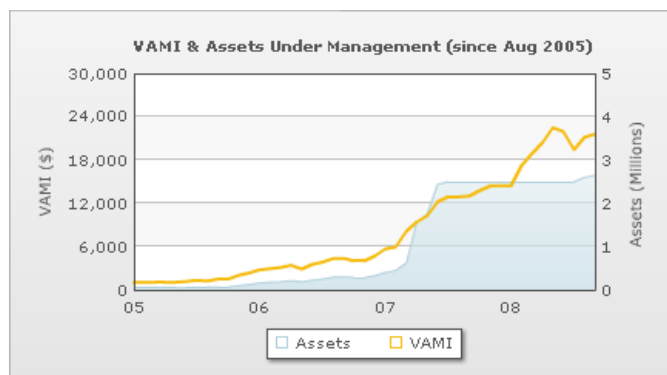
| | |
|---------------------------|------------|
| Start Date | 2005-07-31 |
| Percent Discretionary | 0.00 |
| Percent Systematic | 100.00 |
| Targeted Return * | 50% |
| Worst Expected Drawdown * | 20% |
| Minimum Investment | 500,000 |
| Currency | US Dollars |

Fee Structure

| | |
|-------------------------|--------|
| Management Fee | 2.00% |
| Incentive Fee | 20.00% |
| Avg Margin Requirement | 15.00% |
| Round Turns per million | 24,000 |

Notes

Accountant



Performance since August 2005

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| 2005 | | | | | | | | -1.43% | 5.90% | -3.23% | -1.55% | 7.72% |
| 2006 | 9.86% | 11.29% | -6.16% | 20.23% | 1.58% | 35.38% | 16.80% | 17.51% | 6.22% | 5.43% | 10.07% | -15.38% |
| 2007 | 21.62% | 9.51% | 12.24% | 1.21% | -8.38% | 0.09% | 16.00% | 20.68% | 5.34% | 36.93% | 15.77% | 9.03% |
| 2008 | 18.65% | 5.52% | 0.14% | 0.66% | 6.04% | 4.74% | 0.24% | -0.28% | 19.58% | 9.64% | 7.90% | 10.29% |
| 2009 | -2.29% | -11.67% | 9.02% | 2.04% | | | | | | | | |

| | 2005 | 2006 | 2007 | 2008 | 2009 YTD |
|------------------|--------|---------|---------|---------|----------|
| Annual Return | 7.14% | 171.63% | 253.67% | 118.61% | -3.99% |
| Maximum Drawdown | -4.73% | -15.37% | -8.38% | -0.28% | -13.69% |

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. PROSPECTIVE CLIENTS SHOULD NOT BASE THEIR DECISION ON INVESTING IN THIS TRADING PROGRAM/FUND SOLELY ON THE PAST PERFORMANCE PRESENTED.



Program Statistics

| | |
|---------------------------------|---------|
| Maximum Drawdown | -15.37% |
| Average Monthly Return | 7.57% |
| Monthly Std. Deviation | 10.61% |
| Calmar Ratio (1) | 9.40 |
| Sterling Ratio (2) | 5.96 |
| Current Losing Streak | -3.99% |
| Gain Deviation (36 months gain) | 8.91% |
| Loss Deviation (9 months loss) | 5.23% |

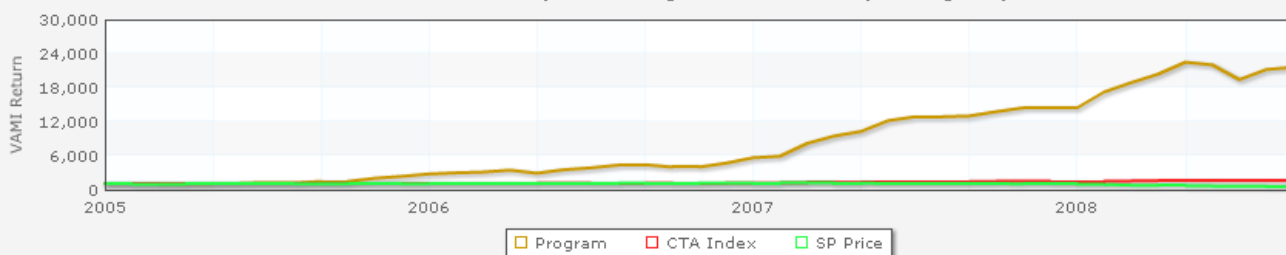
Annualized Statistics

| | |
|------------------------|---------|
| Compound ROR | 126.92% |
| Standard Deviation | 36.74% |
| Downside Deviation (4) | 12.28% |
| Sharpe Ratio (5) | 2.34 |
| Sortino Ratio (6) | 6.31 |
| Gain Deviation | 30.88% |
| Loss Deviation | 18.13% |

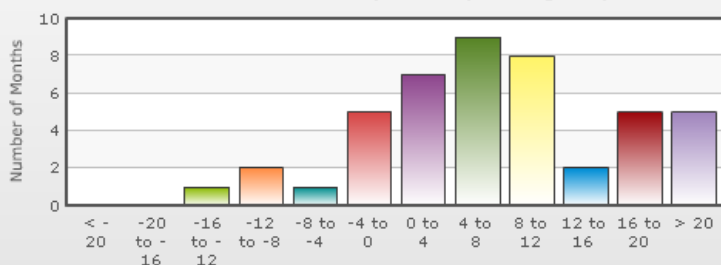
Comparisons

| | Program | CTA Index | SP Price |
|--------------------------------|----------|-----------|----------|
| Annualized Compound ROR | 126.92% | 13.58% | -8.82% |
| Cumulative Return | 2060.33% | 61.23% | -29.27% |
| Cumulative VAMI ⁽³⁾ | 21603 | 1612 | 707 |
| Largest Monthly Gain | 36.93% | 6.48% | 9.39% |
| Largest Monthly Loss | -15.38% | -1.95% | -16.94% |
| Profit Loss Ratio | 7.76 | 4.84 | 0.68 |
| Correlation | — | -0.054 | -0.001 |
| Last Month | 9.02% | -1.48% | 8.54% |
| Last 12 Months | 66.31% | 11.05% | -37.02% |
| Last 36 Months | 1361.76% | 39.47% | -33.40% |

VAMI Return Comparisons - Program vs. Benchmarks (since Aug 2005)



Distribution of Monthly Returns (since Aug 2005)



Statistical Notes

1. Uses last 36 months of Data
 2. Uses last 36 months of Data
 3. The hypothetical growth of \$1,000
 4. Uses a 7.5% Minimum Acceptable ROR
 5. Uses a 5.0% Risk Free ROR
 6. Uses a 7.5% Minimum Acceptable ROR
- * Targeted Return & Worst Expected Drawdown Estimates have been supplied by the Manager
** ROR = Rate of Return

For Statistical definitions and formulas see "Building Wealth with Managed Futures" by Kim Avery

THE RISK OF TRADING COMMODITY FUTURES, OPTIONS AND FOREIGN EXCHANGE ("FOREX") IS SUBSTANTIAL. THE HIGH DEGREE OF LEVERAGE ASSOCIATED WITH COMMODITY FUTURES, OPTIONS AND FOREX CAN WORK AGAINST YOU AS WELL AS FOR YOU. THIS HIGH DEGREE OF LEVERAGE CAN RESULT IN SUBSTANTIAL LOSSES, AS WELL AS GAINS. YOU SHOULD CAREFULLY CONSIDER WHETHER COMMODITY FUTURES, OPTIONS AND FOREX IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. IF YOU ARE UNSURE YOU SHOULD SEEK PROFESSIONAL ADVICE. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE SUCCESS.