RM ROBUST METHODS

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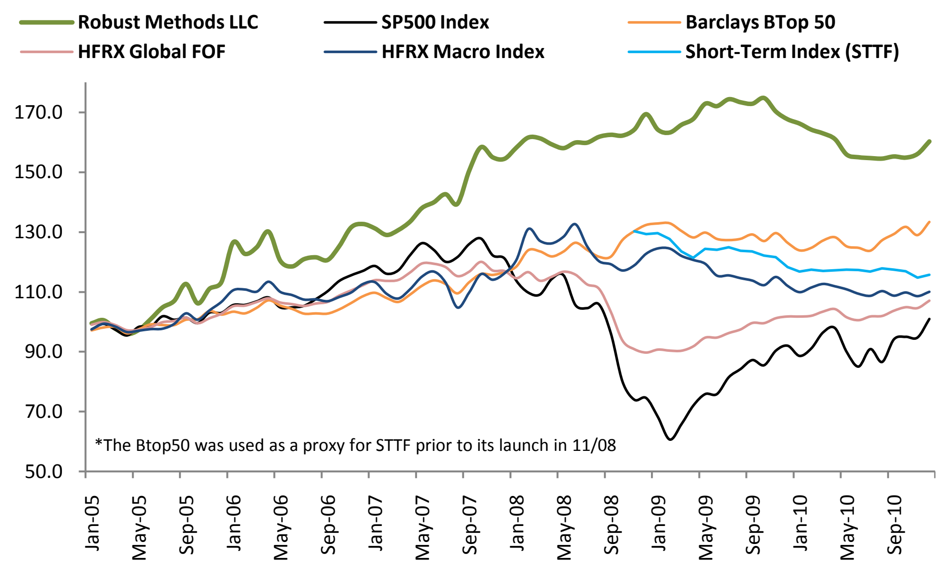
Description

This is a multi-asset investment program covering the liquid global markets. Emphasizing research and statistical decision making, the methodology is rigorous and complete. Transactions are made on currencies, interest rates, equities, energies, precious metals, and commodities with the goal of capturing short to mid-term trends. Risk is managed using a strict and disciplined approach across asset classes and geographic blocs.

Returns (Net of Fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2005	-0.53%	1.06%	-2.82%	-1.88%	1.47%	3.68%	3.88%	2.10%	5.32%	-5.78%	4.63%	1.95%	**13.21%**
2006	11.76%	-3.04%	1.83%	4.16%	-7.52%	-1.54%	2.06%	0.52%	-0.74%	3.87%	4.98%	0.85%	**17.18%**
2007	-1.09%	-1.69%	1.27%	2.18%	3.38%	1.38%	1.95%	-2.28%	7.94%	5.25%	-2.15%	-0.31%	**16.44%**
2008	2.41%	2.12%	-0.16%	-1.25%	-0.79%	1.17%	-0.02%	1.22%	0.42%	-0.17%	1.26%	3.14%	**9.65%**
2009	-3.09%	-0.57%	1.60%	1.18%	3.01%	-0.46%	1.34%	-0.58%	-0.28%	1.10%	-2.60%	-1.52%	**-1.04%**
2010	-0.84%	-1.23%	-0.76%	-1.17%	-3.22%	-0.56%	-0.18%	-0.11%	0.46%	-0.25%	0.81%	2.66%	**-4.41%**

Cumulative Returns (VAMI)



Statistics

Annualized Returns	8.2%
Annualized Volatility	10.0%
Annualized Dn Volatility	5.6%
Sharpe Ratio (0%)	0.8
Sortino Ratio (0%)	1.4
Omega (0%)	1.1
Calmar Ratio	0.8
Maximum Run-up	19.2%
Maximum Drawdown	10.8%

Downside Daily Correlations:

Newedge CTA Index	0.10
Short-Term Index	-0.05
S&P 500	0.16

Administration: MFB Futures
Bloomberg: ROBMETH US

Commentary

The program returned 2.66% in December, primarily benefiting from a strong momentum in the commodities and metals sector, as well as a weaker dollar.

December saw some solid gains in many assets and hedge funds strategies, and which helped the financial markets close on a positive note. Equities, commodities, precious metals, global macro indexes, CTA indexes and other hedge funds indexes produced some good gains.

From our perspective, we remain focused on the driving factors that led to the above. While rising long-term yields could be overdue, a decline in implied volatilities that helped lift risk assets could prove troublesome.

We expect the financial markets in 2011 to face a series of unintended consequences, courtesy of QE2 and beyond.

Karim Taleb