

February 28, 2009

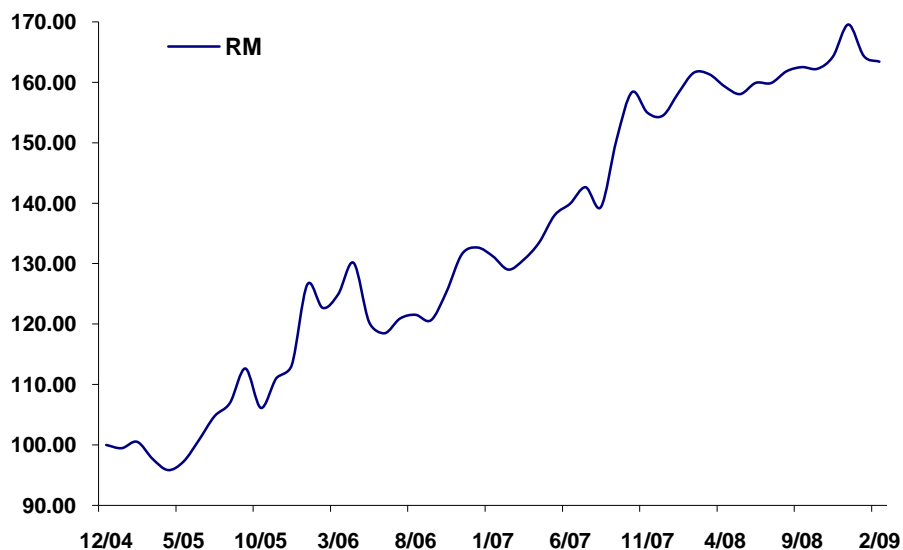
Description

The program covers the liquid global markets using a quantitative and systematic approach. 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 developing trends. Positions are taken with the premise that price movement often leads fundamentals. 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%	-0.56% (est.)											-3.63%

Cumulative Returns (VAMI)



Statistics

Annualized Return	12.5%
Volatility	11.3%
Downside Vol.	6.7%
Sharpe Ratio (0%)	1.1
Sortino Ratio (0%)	1.9
Maximum Run-up	19.2%
Maximum Drawdown	9.1%
Months to Recovery	5

Clearer Newedge Group
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Terms

Fees	2/20
High Watermark	Yes

Commentary

Results for February were -0.56% (est.). We started the month into positive territory putting on many new trades then gave back ground towards the second half.

January and February proved to be one of the worst historical periods with the MSCI World Index losing 18.4% and the Dow Jones Industrial sinking 24.3%. Lehman's 20+ Year treasury tracker (ETF: TLT) fell 17.2% during the first 2 months of the year. The impact of the 2008 market shocks coupled with a poor leadership continue to undermine general confidence and provide for a high level of future uncertainty. This clearly pressures all risky assets as it renews concerns about future earnings and implied market valuation.

From a shorter term technical perspective and after a significant price drop nevertheless, risky assets could surprise with a rally here. These include equities, crude oil, copper and the broader commodities markets. While many commodities are still in a downtrend searching for a bottom, a few have started firming up.