RM ROBUST METHODS
INVESTMENT ADVISORY & RESEARCH

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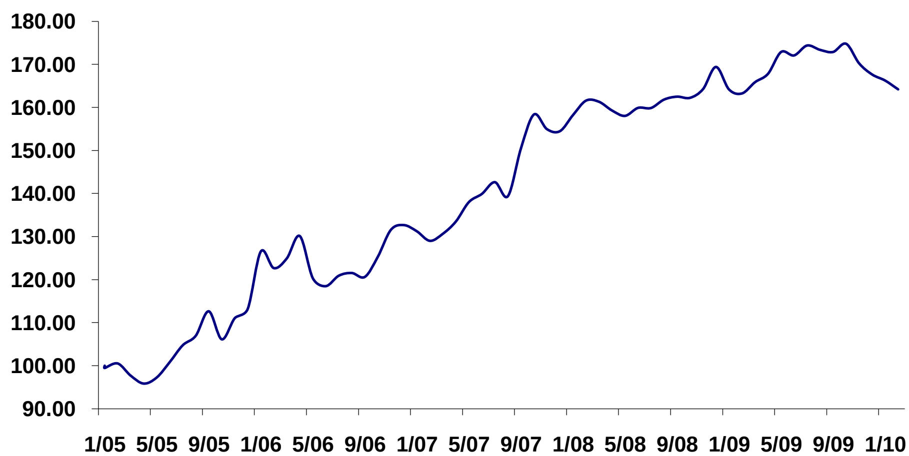
Description

This is a multi-asset investment program covering the liquid global markets. The approach is quantitative and systematic. 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%											**-2.06%**

Cumulative Returns (VAMI)



Statistics

Annualized Returns	10.1%
Annualized Volatility	10.4%
Downside Volatility	6.0%
Sharpe Ratio (0%)	1.0
Sortino Ratio (0%)	1.7
Calmar Ratio	1.1
Maximum Run-up	19.2%
Maximum Drawdown	9.1%
Months to Recovery	5

Clearer Newedge USA, LLC
Terms 2/20 / high-watermark
Admin. Managed Funds Sol.

Commentary

February's returns were -1.23% *(est.)*, with year to date results of -2.06%. The program lost money mainly in the fixed income and equity sectors while currencies and commodities contributed favorably.

After a moderate downward momentum in the US stock market in the first half of February, stocks managed once again to turnaround, and closed the month almost where they started. A similar pattern was more or less reflected in the 10-yr note. While this pattern can reward some counter-trend and mean-reversion strategies, we surrendered some ground as a pure short-term directional player.

From a fundamental viewpoint, the persisting general rally in US equities underscores our earlier view that the stock market has yielded its role as a discounting mechanism of future economic projections to a discounting mechanism of an ongoing expansion in the monetary base and an implicit support from the Fed. While the dollar rally underway may not directly fit into this equation, and barring a credible increase in rates, the fact that it came as a by-product from the currency situation in Europe takes away from its relevance. We see this dollar rally as a paper tiger here and are in fact increasingly concerned about the longer term value of the currency.