RM ROBUST METHODS
INVESTMENT ADVISORY & RESEARCH

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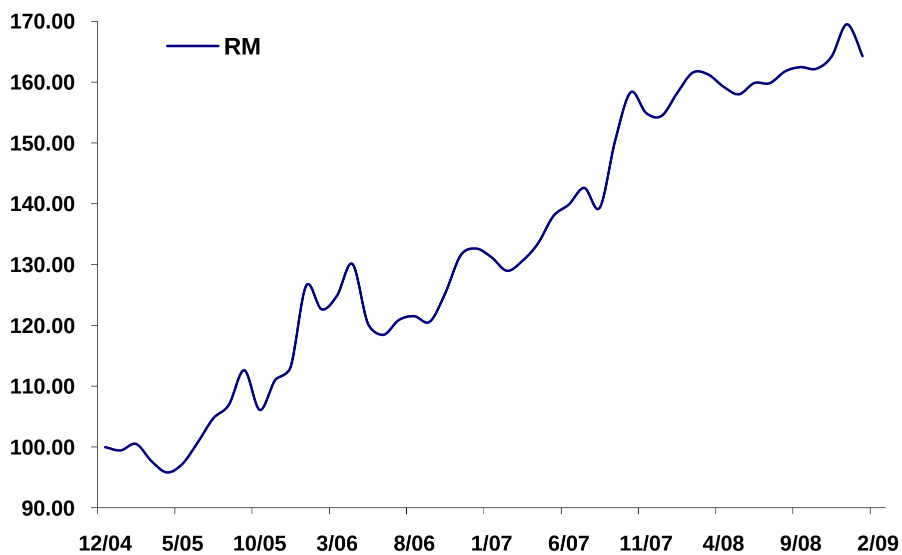
Description

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%												**-3.09%**

Cumulative Returns (VAMI)



Statistics

Annualized Return	12.9%
Volatility	11.4%
Downside Vol.	6.7%
Sharpe Ratio (0%)	1.1
Sortino Ratio (0%)	1.9
Maximum Runup	19.2%
Maximum Drawdown	9.1%
Months to Recovery	5

Terms

Fees	2/20
High Watermark	Yes
Lockup	No
Liquidity	Monthly
FCM	Newedge Group USA
Admin.	Managed Fund Solutions

Commentary

January's returns were -3.09%; the loss came as the result of a large variation in the non-USD cash allocation, with the trading activity itself producing a slightly positive return of 0.16%.

By and large, the markets we traded were hesitant during the month, and their moves showed little strengh.

On the cash management side, our growing discomfort with the US dollar's vulnerability led us to increase the non-USD cash allocation from 35% to 55%. The timing proved bad in retrospect as the dollar rallied significantly against our cash position. The impact was fully felt given the very high funding level we have. In the longer run, we are comfortable with a multi-currency approach and expect variations to even out. More importantly, this also reduces the maximum risk stemming from any particular troubled currency.