

Jan. 31, 2010

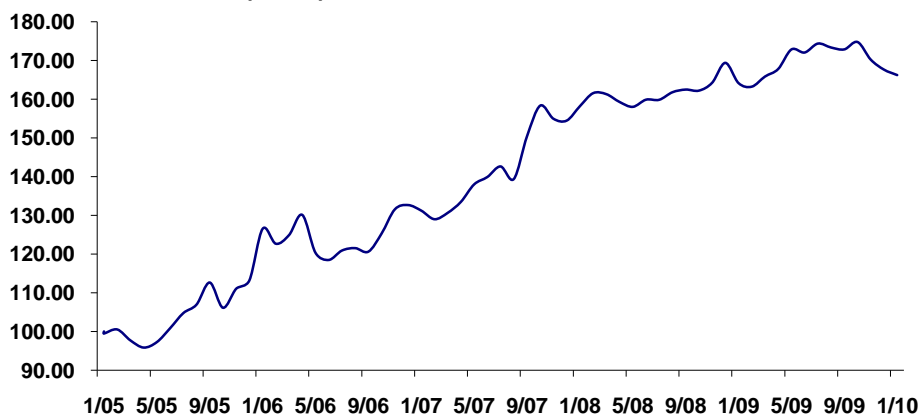
Description

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%												-0.84%

Cumulative Returns (VAMI)



Statistics

Annualized Returns	10.5%
Annualized Volatility	10.4%
Downside Volatility	6.1%
Sharpe Ratio (0%)	1.0
Sortino Ratio (0%)	1.7
Calmar Ratio	1.2
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

Returns for January were -0.84%. The main positive contributors were the industrial and precious metals while losses stemmed from the grains, equities, and currencies. A strong crop report sent some grain markets selling 'limit down' and weighed heavily on the P&L.

With both the S&P selling off by 3.8% and the 10-Yr note moving upwards by over 2% in January, a countertrend jolted many directional managers the first month of the year. The EURUSD pair lost 3.33% and added to the action as well, albeit with a lesser effect due to a more even market positioning.

Separately in this update, we bring your attention to the High-Frequency & Algorithmic Trading strategy forum, organized by Stacey Mankoff and taking place on March 9th in London. A complimentary registration can be made at <http://www.themankoffcompany.com/LondonHFTEvent/>

I will be participating and look forward to seeing friends and clients planning to attend.

Best Regards,
Karim Taleb