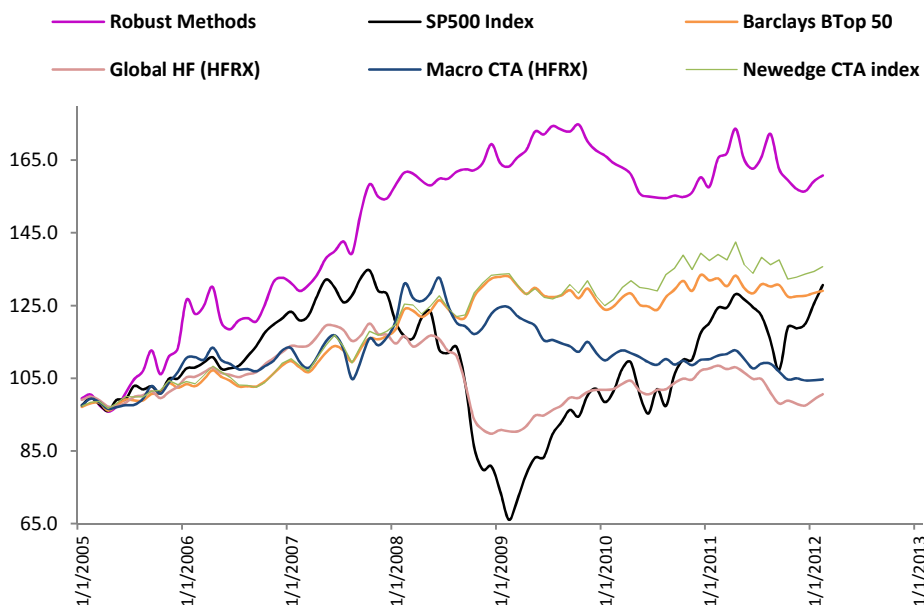


Jan. 31, 2012

**Robust Methods** is a seasoned money manager and pioneer of Robust Portfolio Management. The firm's mission is to generate solid investment returns to a global and sophisticated investor base. Emphasizing research and quantitative decision making, transactions are made on the financials and commodities markets. An advanced risk management heuristic lies at the core of the methodology which aims at optimising the portfolio's exposure while maintaining its balance.

**Returns (Net of 2/20 Fees)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2005</b>	-0.53%	1.06%	-2.82%	-1.88%	1.47%	3.68%	3.88%	2.10%	5.32%	-5.78%	4.63%	1.95%	<b>13.21%</b>
<b>2006</b>	11.76%	-3.04%	1.83%	4.16%	-7.52%	-1.54%	2.06%	0.52%	-0.74%	3.87%	4.98%	0.85%	<b>17.18%</b>
<b>2007</b>	-1.09%	-1.69%	1.27%	2.18%	3.38%	1.38%	1.95%	-2.28%	7.94%	5.25%	-2.15%	-0.31%	<b>16.44%</b>
<b>2008</b>	2.41%	2.12%	-0.16%	-1.25%	-0.79%	1.17%	-0.02%	1.22%	0.42%	-0.17%	1.26%	3.14%	<b>9.65%</b>
<b>2009</b>	-3.09%	-0.57%	1.60%	1.18%	3.01%	-0.46%	1.34%	-0.58%	-0.28%	1.10%	-2.60%	-1.52%	<b>-1.04%</b>
<b>2010</b>	-0.84%	-1.23%	-0.76%	-1.17%	-3.22%	-0.56%	-0.18%	-0.11%	0.46%	-0.25%	0.81%	2.66%	<b>-4.41%</b>
<b>2011</b>	-1.62%	4.98%	0.83%	4.04%	-4.95%	-1.44%	2.04%	3.76%	-5.62%	-1.87%	-1.51%	-0.40%	<b>-2.36%</b>
<b>2012</b>	1.76%												<b>1.76%</b>



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**Statistics**

Annualized Returns	7.3%
Annualized Volatility	10.2%
Annualized Dn Volatility	5.9%
Sharpe Ratio (0%)	0.7
Sortino Ratio (0%)	1.2
Omega (0%)	1.1
Maximum Run-up	19.2%
Maximum Drawdown	10.8%

**Dn. Corr.**

SP500	-0.06
CTA Index (Newedge)	0.26
STTI (Newedge)	-0.13
Global HF (HFRX)	0.05
Global Macro (HFRX)	0.20

**Commentary**

Returns for January were 1.76%. Gains came from the commodities and equities sectors primarily. A low volatility on the portfolio was maintained throughout the month with a margin-to-equity ratio not exceeding 8%.

On the fundamentals' side, a steep dive in the Baltic dry index has spooked the market and revealed an alarming deterioration in the global economic activity. On the policy side, the Fed declared a 3rd round of money printing on the 25<sup>th</sup> of January, in addition to setting an inflation target of 2%. This rate is obviously well above the interest rate level and will likely prove as a lower bound only on the targeted inflation.

With such decisions being increasingly viewed as flawed and dictatorial, major nations such as Brazil, India, Russia, and China are diligently expanding their bilateral trade agreements outside the US Dollar.

The precious metals provided their instant feedback by rocketing upwards.

We hence start the year with the money press, and a volatile mix of deflationary and inflationary ingredients.