RM ROBUST METHODS
INVESTMENT ADVISORY & RESEARCH

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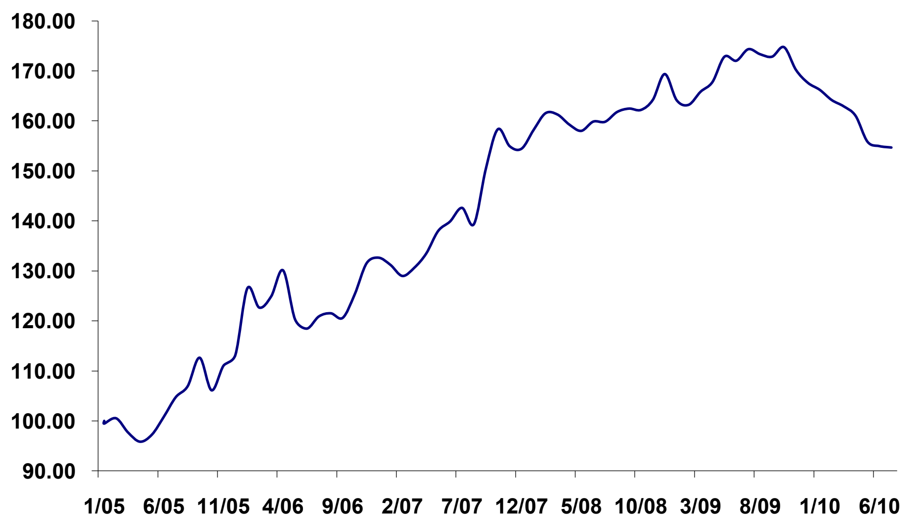
Description

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%	-0.76%	-1.17%	-3.22%	-0.56%	-0.18%						**-7.73%**

Cumulative Returns (VAMI)



Statistics

Annualized Returns	8.1%
Annualized Volatility	10.3%
Annualized Dn Volatility	5.7%
Sharpe Ratio (0%)	0.8
Sortino Ratio (0%)	1.4
Omega (0%)	1.1
Calmar Ratio	0.6
Maximum Run-up	19.2%
Maximum Drawdown	13.0%

Daily Correlations:

Newedge CTA Index	11.8%
Short-Term Traders Idx	4.1%

Terms 2/20 / high-watermark
Admin. Managed Funds Sol.

Commentary

The reversals in some earlier trends, mainly in the US dollar and agricultural sector, were the main theme in July. CTA strategies were negatively affected as a group and our program returned -0.18% net of fees.

The economic data keeps coming short of evidence of a supposed recovery, and the Fed's chairman has reversed course from his original commitment of withdrawing liquidity. This unexpected turn of events came as no surprise to us and since we wrote earlier in January that *"those expecting a real recovery and an early tightening are likely to be disappointed."*

The bonds rallied higher on the weak economic data, pressuring the 10-yr rate to below 3%. Given the deteriorating financial conditions and credit worthiness of the treasury, not only is there a lack of a risk premium, but there are serious doubts as to recovering the principal in real terms.

With the economic news likely to worsen over the coming months, we see stocks as walking on thin ice.