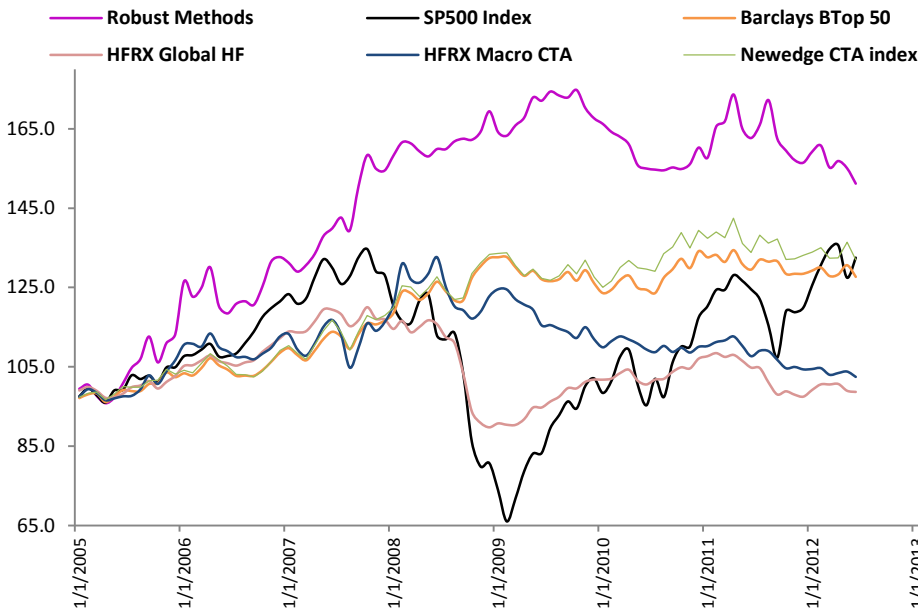


June 30, 2012

**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%	0.98%	-3.45%	1.06%	-1.15%	-2.51%							<b>-3.39%</b>



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**Statistics**

Annualized Returns	6.2%
Annualized Volatility	10.1%
Annualized Dn Volatility	5.8%
Sharpe Ratio (0%)	0.6
Sortino Ratio (0%)	1.1
Omega (0%)	1.0
Maximum Run-up	19.2%
Maximum Drawdown	13.5%

Dwn. Corr.

SP500	-0.06
Newedge CTA Index	0.29
Newedge STTI	-0.02
HFRX Global HF	0.01
HFRX Macro CTA	0.19

**Commentary**

The upward trends in the US dollar and bonds experienced some sharp retracements in June, impacting the majority of CTA programs. While we faded these trades, and which we highlighted as hazardous in the previous letter, our portfolio was affected separately by a very steep decline in the volatility index of around 28%, leading to net returns of -2.51%.

We find it difficult to seriously share market opinion at this stage, be it fundamental or technical; the 'stabilization' efforts by the governments and central banks are now massively manipulative and harmful to the markets and people, and have rendered the financial system dysfunctional in various ways. At the cost of a slow and painful bleed, we keep our portfolio positioned in a combination of long volatility and other strategic trades.

On the heels of a string of scandals, the collective rigging of the Libor - better now known as the Lie-More - came to top things off, implicating governments and central banks this time around. The incestuous relationship we highlighted in the past between governments and the banks cannot get anymore obvious. The sooner that global citizens awaken to this dark agenda, the earlier they can get organized and take concerted action.

Sincerely,  
Karim Taleb