

May 31, 2009

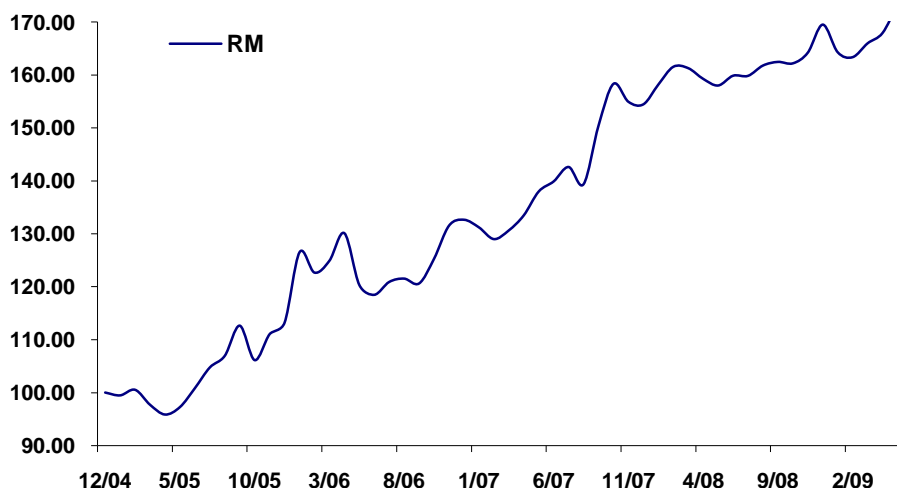
## Description

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
<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%	2.85% (est.)								<b>1.88%</b>

## Cumulative Returns (VAMI)



### Statistics

Annualized Returns	13.2%
Volatility	11.0%
Downside Volatility	6.7%
Sharpe Ratio (0%)	1.2
Sortino Ratio (0%)	2.0
Calmar Ratio	1.5
Maximum Run-up	19.2%
Maximum Drawdown	9.1%
Months to Recovery	5

<b>Clearer</b>	Newedge USA, LLC
<b>Admin.</b>	Managed Fund Solution
<b>Terms</b>	2/20 / high-watermark

## Commentary

Our program registered a new all time high in May. Net of fees returns came at 2.85% on an average margin-to-equity of 4.04%. Gains came primarily from the energy complex, industrial metals, equities, bonds, and precious metals.

Internal tension in the global markets appears to be building up here. Equities have consolidated a bit and pushing now against a stronger resistance. Crude oil and copper continue to appreciate while the pressure on long-term yields and the dollar is still in effect. A further appreciation in commodities could halt the trend in equities and precipitate a swift correction. This would dissipate the tension and rebalance the internals.

On a separate note, we bring your attention to the annual conference of [www.battleofthequants.com](http://www.battleofthequants.com) taking place this Friday June 12 at the May Fair Hotel. Robust Methods will be among the panelists and we are pleased to extend a complimentary invitation to our clients in London. Please RSVP if you would like to attend to [info@robustmethods.net](mailto:info@robustmethods.net).

Best Regards,  
Karim Taleb