

Oct. 31, 2009

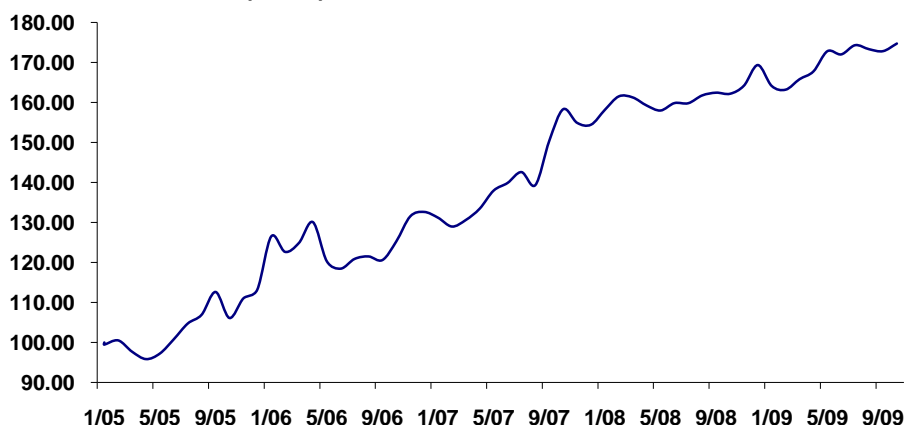
**Description**

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
<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% (est.)			<b>3.17%</b>

**Cumulative Returns (VAMI)**



**Statistics**

Annualized Returns	12.2%
Annualized Volatility	10.5%
Downside Volatility	6.4%
Sharpe Ratio (0%)	1.2
Sortino Ratio (0%)	1.9
Calmar Ratio	1.4
Maximum Run-up	19.2%
Maximum Drawdown	9.1%
Months to Recovery	5

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

**Commentary**

Our portfolio stepped higher this month taking out the previous peak it set in July. Net of all fees returns were 1.10% (est.) with the main positive contributors being in the energy and commodity markets. Losses came from the treasuries and agricultural markets.

The technical picture in October was marked by a swift reversal towards month-end in several markets, causing a dent in many portfolios and/or clawing back profits from earlier trends. While it took the S&P three attempts to break through the 1000 level earlier in the summer, it faced good overhead resistance at 1100 and was pushed back to close the month at 1033.

Outside momentum players perhaps, and whose buying can vanish faster than it usually appears, we are not aware of many investors who have been buying the S&P for fundamental reasons. With the stimulus effect wearing out, we'd be surprised to see equities maintain their ground without a cheaper dollar.

Regards,  
Karim Taleb