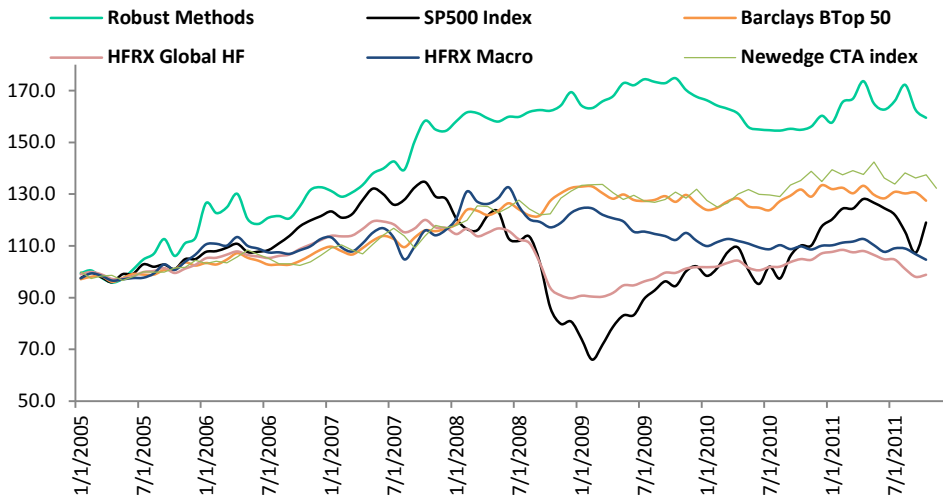


Oct. 30, 2011

**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% |        |        | <b>-0.47%</b> |



**Statistics**

|                          |       |
|--------------------------|-------|
| Annualized Returns       | 7.6%  |
| Annualized Volatility    | 10.3% |
| Annualized Dn Volatility | 6.0%  |
| Sharpe Ratio (0%)        | 0.7   |
| Sortino Ratio (0%)       | 1.3   |
| Omega (0%)               | 1.1   |
| Calmar Ratio             | 0.7   |
| Maximum Run-up           | 19.2% |
| Maximum Drawdown         | 10.8% |

**Downside Correlation**

|                    |      |
|--------------------|------|
| Newedge CTA Index  | 0.26 |
| Global Macro (HFR) | 0.20 |
| Newedge STTI       | 0.07 |

**Commentary**

The 'mindless flight to quality' we highlighted in last month's letter came to an abrupt end in October and inflicted significant damage in most CTA portfolios. The directional strategies were particularly impacted due to the intensely erratic market behavior.

Though we were spared the sharp reversals in the dollar and bonds, our portfolio yielded ground in an excessively event-driven market, coupled with a high level of uncertainty. Net of fees returns were -1.87%.

In October, the S&P 'rallied' by 10.9% in what could be described as a surreal straight line, given the worsening economic fundamentals, and in the face of a heavy downwards momentum of the previous month. October was also the turn for the Bank of Japan to intervene and sink its currency by over 5% within minutes. We notice a growing desperation within the central banks as telegraphed by an increasingly aggressive dealing in the open market. Such does not help build confidence and further takes away from the market freedom.

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