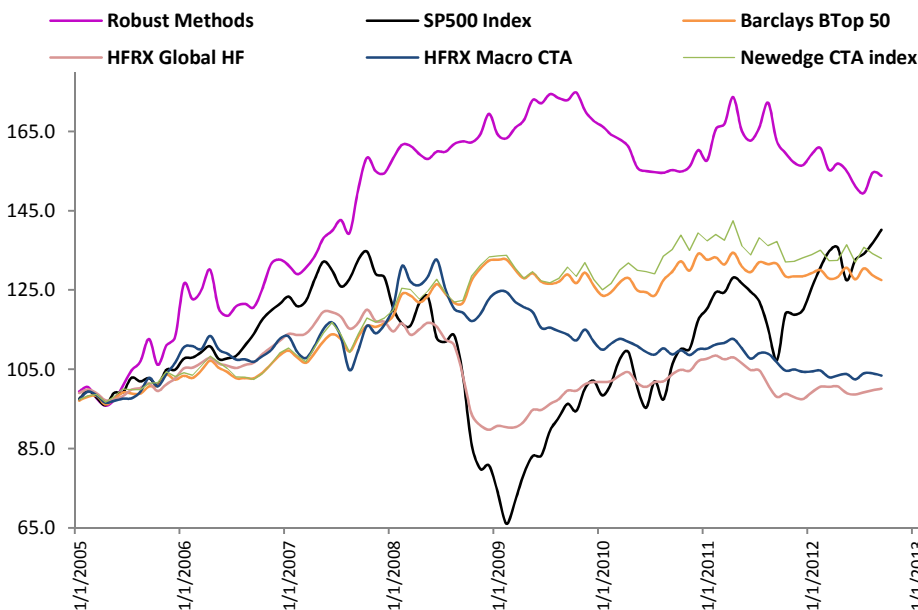


Sept 30, 2012

**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% | -1.12% | 3.40%  | -0.51% |        |        |        | <b>-1.73%</b> |



**Bloomberg**

**ROBMETH US**

**Statistics**

|                          |       |
|--------------------------|-------|
| Annualized Returns       | 6.2%  |
| Annualized Volatility    | 10.0% |
| Annualized Dn Volatility | 5.7%  |
| 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**

September returns were -0.51% net of all fees. Sharp reversals in the grains uptrends weighed on the portfolio and outweighed gains captured in the crude oil selloff.

The month witnessed a fast escalation of a military standoff related to islands in the South China sea; this was totally unexpected given the apparent unimportance of these small islands. While the mainstream media related the dispute to oil and gas deposits, more credible sources stated the existence of substantial gold deposits.

China also announced the launch of its first aircraft carrier signaling to the world wide global ambitions that obviously go beyond basic industries and manufacturing labor intensive products. The Chinese military buildup is hence taking some by surprise, with the added twist that that nation has built its economy on the back of Western jobs and consumers capital.

Rechanneling trade proceeds towards military purposes could hence be viewed as unwelcome, if not aggressive, by its trading counterparties. We see the situation with China as tense from here with a substantial risk of a severe deterioration; the contracting global economies and brewing social unrests add to the picture and are not going away soon.