Global Currency Management

Performance Report February 2010

GCM

GCM Major Currency Alpha Strategy

February 2010:	1.05%	YTD:	2.16%

COMMENTARY

February was dominated by the same trading themes as January. The US-dollar rose as the Euro suffered in the wake of continued doubts about the state of finances in the so called PIIGS countries. Towards the end of the month sterling came under pressure but the commodity currencies fared well.

Our strategy worked quite well at the beginning and end of the month but had difficulties in the middle. We nevertheless managed to record a positive performance of 1.05% on the month and our year-to-date performance stands at 2.16%. Our performance has been improving steadily over the past months and this gives us confidence to increase risk in a controlled manner.

Going forward we believe the markets will be focussing on the same topics as in the previous two months with the added prospect of a significantly weaker sterling.

Kenneth Stenberg & Thomas Prior

MONTHLY PERFORMANCE (%) ex interest and fees (3x leverage)

Note: From Feb 2008 the performance is composite

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2006								-2.80	0.26	-1.46	0.90	0.12	-2.99
2007	0.17	0.93	0.94	0.17	0.04	-0.40	0.64	2.45	1.55	1.83	2.65	0.38	11.33
2008	2.60	0.78	-3.08	-1.10	-1.04	1.84	1.20	2.67	1.16	2.42	0.98	-0.38	8.05
2009	3.05	-1.24	-2.73	-1.07	-0.54	-0.39	-0.73	0.46	0.31	0.36	-0.21	0.47	-2.26
2010	1.11	1.05											2.16

Source: Global Currency Management Gmbh

PERFORMANCE: 01/08/06 to 31/10/09

Return for the period	16.29%
Annual Vol	5.03
Sharpe Ratio	0.93
Sortino Ratio	0.85
Worst Month	-3.08
Best Month	3.05
Rolling 12mth	-1.91

TERMS

Min Account Size	$1,000,000
Leverage	3 - 7 times
Liquidity	Daily
Management Fee	2%
Performance Fee	20%
High Watermark	Yes
Managed Accounts only	

THE INVESTMENT MANAGER

Global Currency Management Gmbh

Zumikerstrasse 16, Zollikon, 8702 Zurich, Switzerland

Ph: +41 43 499 7728/29

Regulated by; Polyreg – Membership number: 16925

Contact

Kenneth Stenberg , Managing Officer – kenneth@glcumanagement.com

Yvonne Lavin, Chief Operating Officer - yvonne@glcumanagement.com

INVESTMENT STRATEGY

The GCM Currency Alpha Strategy aims to generate high total returns that are not correlated with the returns of other asset classes. This strategy invests in four major currencies (EUR,USD,GBP,YEN) and three commodity currencies (AUD$,NZD$,CAD$) and their crosses. This strategy uses spot and forward contracts only, no options. Commodity currency exposure is limited to a maximum of 20% of total risk limit.

The strategy is discretionary in nature as opposed to systematic. A global "macro view" is developed in-house, researching a range of asset classes, such as stocks, bonds and commodities. This "macro view" is then expressed in a specific currency by currency exposure. The Yen plays a vital role in our portfolio. The exact timing of market entry is determined by in-house technical analysis and modeling of recent intra-day trading ranges, with the aim of generating pivot points. When these are breached, momentum is expected to increase in the direction of the breach.

Risk management is at the core of the strategy. Every open position is at all times covered by a live market stop-loss order. In times of challenging markets, exposure is reduced to avoid large draw-downs.

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