

Global Currency Management

Performance Report May2010

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GCM

GCM Currency Alpha Strategy

May 2010: 2.68% YTD: 2.37%

COMMENTARY

The world very nearly came to an end in May. Anxiety about just about everything showed in the markets with huge price swings and gaps as investors struggled to adjust their positions. However, the overriding theme in the markets was quite clear and that was risk reduction.

Our strategy fared quite well in May with a performance of +2.68% on the month and year-to-date now standing at +2.37%. Most of the positive performance was attributable to being short EUR/JPY at the right moment.

We feel quite optimistic about the markets being suitable to our investment strategy going forward. Volatility has returned in a positive way for us. We believe that the US-dollar has some way to go still on the upside, perhaps even against the yen. Commodity currencies look vulnerable on the crosses (EUR, GBP) from here as longer term chart patterns look constructive.

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 | -0.34 | -2.13 | 2.68 | | | | | | | | 2.37 |

Source: Global Currency Management GmbH

PERFORMANCE: 01/08/06 to 31/05/10

| | |
|-----------------------|--------|
| Return for the period | 16.62% |
| Annual Vol | 5.18 |
| Sharpe Ratio | 0.85 |
| Sortino Ratio | 0.81 |
| Worst Month | -3.08 |
| Best Month | 3.05 |
| Rolling 12mth | 2.64 |

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 | |

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.

THE INVESTMENT MANAGER

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