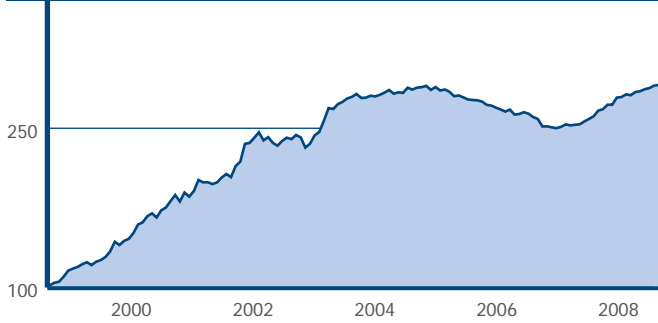




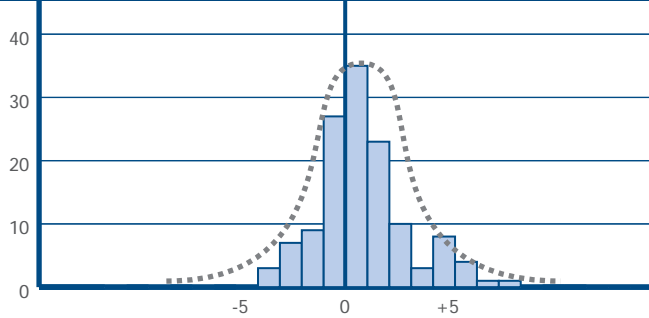
Monthly Performance													Key Statistics			
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD Result	Ste. Dev.	Max. DD	Ave. Lev.
1999	2.19	2.29	0.93	4.53	5.21	1.59	1.33	2.10	1.61	-2.20	2.58	1.32	25.94	6.37	-2.20	2.00
2000	2.29	4.04	6.76	-2.12	2.78	1.31	3.75	5.31	1.30	3.56	1.61	-2.28	31.79	9.27	-2.28	2.00
2001	4.08	1.51	3.46	3.16	-3.28	4.66	-2.04	2.81	5.50	-1.11	0.06	-0.88	18.95	9.96	-3.28	2.00
2002	0.82	2.30	1.65	-1.43	5.11	1.92	7.67	0.38	2.06	2.11	-3.06	1.28	22.40	9.51	-3.06	2.00
2003	-2.25	-1.13	1.93	1.28	-0.58	1.63	-0.93	-3.99	1.63	3.33	1.29	4.41	6.51	8.27	-4.92	2.00
2004	4.51	-0.34	1.74	0.77	1.16	0.54	1.00	-1.33	0.08	0.67	-0.24	0.53	9.37	4.94	-1.33	2.00
2005	0.73	0.89	-1.21	0.44	-0.18	1.72	-0.61	0.63	0.15	0.44	-1.30	0.92	2.61	3.12	-1.30	1.50
2006	-1.12	0.33	-0.78	-1.44	0.26	-0.66	-0.71	-0.16	-0.11	-0.43	-1.12	-0.25	-6.03	1.93	-6.03	1.50
2007	-0.73	-0.63	-0.73	0.68	-1.74	0.20	0.65	-0.52	-1.22	-0.68	-2.75	0.07	-7.20	3.41	-7.27	1.00
2008	-0.37	-0.33	0.52	0.92	-0.38	0.22	0.18	1.04	0.94	0.96	2.05	0.50	6.40	2.49	-0.70	0.75
2009	1.58	0.00	2.47	0.18	0.92	-0.30	1.06	0.26	0.67	0.37	0.80	0.22	8.51	2.64	-0.30	0.75
2010																
<b>Since Inception</b>													<b>190.75</b>	<b>6.91</b>	<b>-13.75</b>	<b>1.59</b>

Notes: All results exclude fees and interest earned from the underlying asset.

### Accumulated Performance (%)

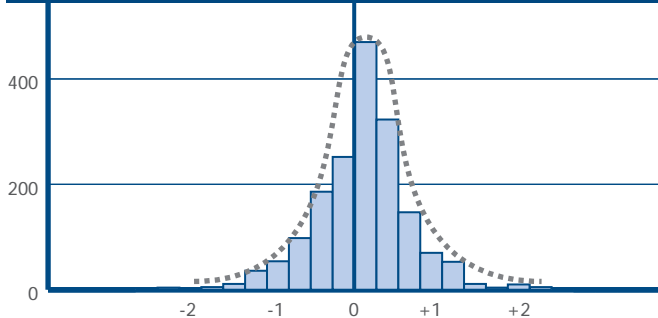


### Monthly Performance Distribution and Statistics



Largest Monthly Gain	7.67 %	Sharpe Ratio	1.37
Largest Monthly Loss	-3.99 %	Sortino Ratio	2.97

### Daily Performance Distribution and Statistics



Number of Trading Days	1,612	Standard Deviation	6.51
Number of Neutral Days	1,251	Downside Deviation	5.86

### Strategy and Investment Process

The program seeks risk-adjusted returns (pure ALPHA), that is uncorrelated to other investment strategies by trading the most liquid assets available to investors, the currency majors. The strategy is categorised as being short term, discretionary, however the expertise and success behind the program is defined by the high degree of discipline within the methodology. This is best shown in the low number of trades executed. Technical analysis is the only input for position taking decisions, whereas other indicators may be used to reduce overall risk. Performance tends to be strong in all markets.

In order to provide a source of uncorrelated alpha to professional investors, Capricorn's niche as a currency manager is the discipline inherent within our trading methodology. This routine is initiated by an analysis of the overnight movements of the major currency crosses, and updating the in-house "Information Model". This model provides an indication of the strength behind the information generated from the technical data. Combined with information on significant levels and flows provided by brokers, the days trading bias is evaluated and possible entry and exit levels are analyzed. Further technical analysis on price data of the currency majors and the USD Index, is studied to determine the support and resistance levels for placing stop-losses. Finally, announcements of fundamental events and statistical releases are evaluated for the 'Event Risk' purposes. Hereafter follows market monitoring and position taking.

### Program and Strategy Facts

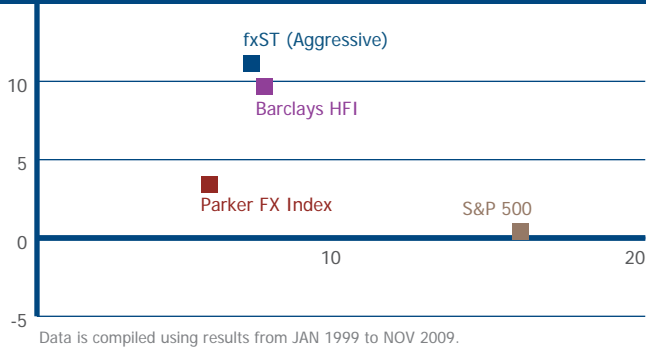
Components	G3 Currencies	Instruments	Spot / Overnight
Process	Technical Bias	Trading Style	Discretionary
Leverage	1.59 Times (ave.)	Time Horizon	Short Term
Prime Broker1	Deutsche Bank	Account Type	Managed Account
Prime Broker2	UBS AG	Strategy AUM	USD 52.00 M

#### Fees

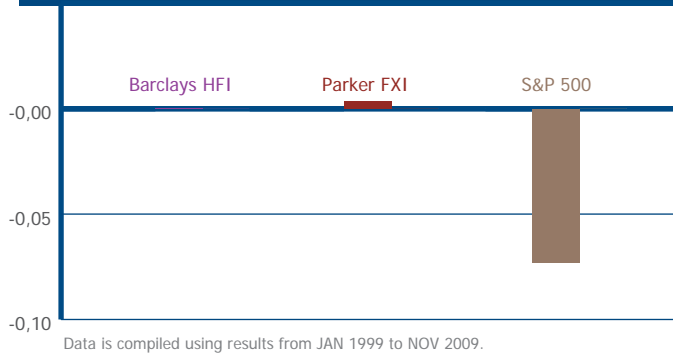
Management	2 %	HWM	Yes
Performance	20 %	Min. Account	\$1,000,000



## Risk / Reward vs. Indices



## Correlation vs. Indices



## Investment Strategy Break-Down

The program seeks risk-adjusted returns (pure ALPHA), that is uncorrelated to other investment strategies by trading the most liquid assets available to investors, the currency majors. Technical analysis is the major input for the decision-making process behind the programs strategy. However fundamentals such as statistics or information pertaining to the market, which we estimate as having a severe impact, are taken into consideration before taking on a position. The strategy is comprised of 3 trading styles aimed at capturing alpha under varying market conditions.

### Trend Trades:

Directionally biased towards the market trend or a confirmation of a break in that trend. Traded at a lower leverage with an intra-week time horizon and analyzed using daily and hourly data. The trading style is fully exposed to Event Risk with a stop-loss policy of analyzing the levels on technical data and placing the stops with brokers.

### Tactical Trades:

Non-bias in direction and traded at a lower leverage with an intra-day time horizon and are analyzed using intra-day data. The trading style is neutral over FOMC, ECB, BOC, SNB meetings and Non-farm payroll releases, with a stop-loss policy of analyzing the levels on technical data and placing the stops with brokers.

### Momentum Trades:

Non-bias in direction and traded on a higher leverage with a 15 minute time period and analyzed on hourly data. The trading style is always neutral around and over the release of key data, with stops held relatively close to entry and managed actively by the trader.

	Trend	Tactical	Momentum
Direction	Trend	Non-bias	Non-bias
Event Risk	Full	Partial	None
Duration	Intra-Week	Intra-Day	Intra-Day
Leverage	0.50	0.50	1.00
Max. Risk	200 pips	70 pips	15 pips
Stop Loss	Placed	Placed	Active
Target	150 pips	40 pips	10 pips
Analysis	Daily Data	Hourly Data	Hourly Data
Levels	Broad	Narrow	Narrow

## About The Capricorn Group

Regulated by: PolyReg Allg. Selbstregulierungs-Verein  
 Registered with: Cayman Islands Monetary Authority  
 Member of: AIMA and MFA  
 Group AUM: US\$ 260,000,000

### Capricorn

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