

CAPRICORN fxST STRATEGY

MAY 2010	fxST (G)	fxST (A)
Month Return	-0.22 %	-0.45 %
YTD Return	0.95 %	1.91 %
Strategy Assets		\$54 M
Advisory Assets		\$100 M

Results exclude fees and interest.

Market Overview

The Dollar notched its longest string of monthly gains against the Euro since 2000 amid worries about massive debt and fiscal cutbacks needed in Europe. Investors continued to sell EURUSD, until it finally touched four year lows as they shifted out of riskier assets such as stocks and toward the relative safe-haven status of the US currency. The Australian Dollar fell to eight month lows against its US counterpart as investors fled from high yielding currencies.

Month Trades

We executed three 'Long' EURUSD trades in May as technical analysis indicated oversold market conditions. Unfortunately, with mixed results the strategy ending the month down 90 pips. Using a leverage of 0.5 times, resulted in a loss of -0.45% for the month. The two losing positions were 'stopped-out', containing the maximum risk within the parameters of the strategy. With only 4 trading days the strategy had neutral positioning of over 80% of the time.

TRADE 1:

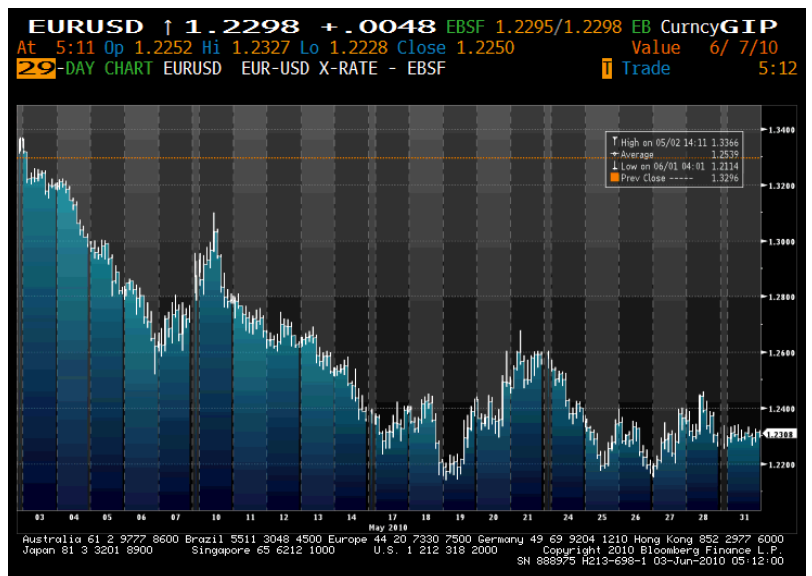
On MAY-05 we bought EURUSD at 1.2980 after the cross broke the 1.3000 level for the first time in a year. With a narrow stoploss placed 55 pips lower to protect against a downward break, the maximum risk for the trade was 0.28%. The position was stopped as EURUSD hit fresh session lows over concerns that sovereign debt woes in Southern Europe will spread.

TRADE 2:

On MAY-17 we bought EURUSD as the pair was heavily oversold, falling nearly eight percent since the start of the month. The trade was opened at 1.2280 with the stoploss placed below the intra-day low at 1.2225, for a maximum risk of 0.28%. The position captured 115 pips recovering from four year lows on positive sentiment of the financial aid for Greece.

TRADE 3:

On MAY-26 we bought EURUSD in anticipation of a medium term rally to the highs of the week. The trade was opened at 1.2325 with a wide stoploss placed 150 pips lower, below the supportive 1.2200 level. A sell-off in global equities and fears of systematic risk in the European banking sector, boosted the Dollar and stopped out the position.



TRADING SUMMARY

Number of Trades	3
Winning Trades	1
Losing Trades	2
Total Pips	-90
Pips Gained	115
Pips Lost	205
Max. Realized Loss	-0.75%
Max. Trade Risk	-0.75%
Exposure (Days)	4
Leverage	0.5

Month Return: **-0.22%**

YTD Return: **0.95%**

12 Month Rolling: **2.48%**

Since Inception:

70.89%

	JAN	FEB	MAR	APR	MAJ	JUN	JUL	AUG	SEP	OKT	NOV	DEC	YTD %	St Dev	Max DD	Lev.
1999	0.97	1.01	0.43	1.97	2.26	0.76	0.60	0.93	0.72	-0.91	1.15	0.60	10.99%	2.73%	-0.91%	1.00
2000	1.01	1.76	2.93	-0.88	1.24	0.60	1.64	2.31	0.60	1.56	0.72	-0.91	13.26%	3.95%	-0.91%	1.00
2001	1.82	0.68	1.56	1.39	-1.38	2.06	-0.84	1.25	2.39	-0.44	0.01	-0.34	8.37%	4.31%	-1.38%	1.00
2002	0.40	1.08	0.76	-0.57	2.26	0.87	3.34	0.21	0.93	0.95	-1.19	0.60	9.99%	4.05%	-1.19%	1.00
2003	-0.92	-0.44	0.88	0.60	-0.20	0.75	-0.35	-1.66	0.75	2.33	0.99	2.55	5.31%	4.28%	-2.01%	1.00
2004	2.74	-0.15	0.89	0.38	0.60	0.38	0.64	-0.85	0.05	0.41	-0.15	0.28	5.29%	2.97%	-0.85%	1.00
2005	0.41	0.48	-0.67	0.27	-0.06	0.88	-0.24	0.30	0.08	0.20	-0.54	0.43	1.54%	1.54%	-0.67%	0.75
2006	-0.59	0.20	-0.35	-0.74	0.13	-0.33	-0.35	-0.08	-0.05	-0.21	-0.62	-0.13	-3.08%	1.02%	-3.12%	0.75
2007	-0.37	-0.31	-0.37	0.34	-0.87	0.10	0.33	-0.26	-0.61	-0.34	-1.38	0.03	-3.66%	1.71%	-3.74%	0.50
2008	-0.18	-0.17	0.26	0.46	-0.19	0.11	0.09	0.52	0.47	0.48	1.03	0.25	3.17%	1.25%	-0.35%	0.25
2009	0.79	0.00	1.24	0.09	0.46	-0.15	0.53	0.13	0.33	0.18	0.40	0.11	4.18%	1.32%	-0.15%	0.25
2010	0.74	0.53	-0.33	0.23	-0.22								0.95%		-0.33%	0.25

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

Since Inception

70.89%

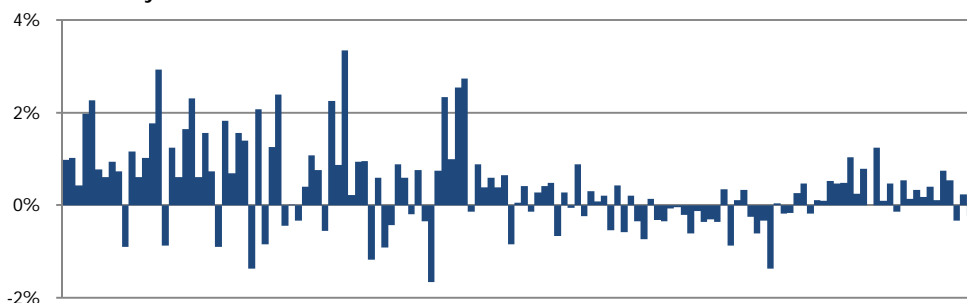
3.13%

-7.06%

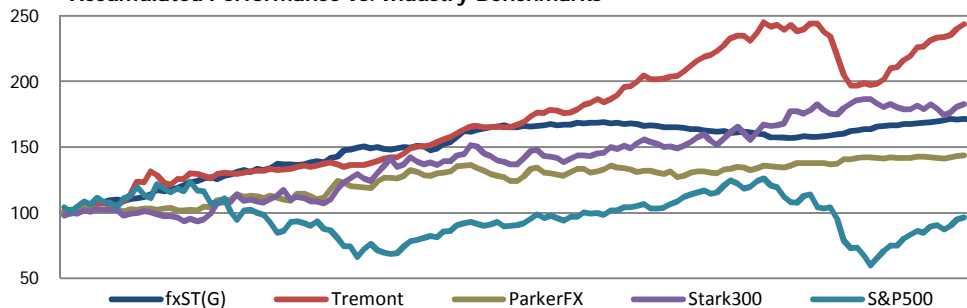
0.73

Return and Performance Analysis

Monthly Returns



Accumulated Performance vs. Industry Benchmarks



Annual Statistics	fxST(G)	Tremont	Parker FX	Stark 300	S&P 500
Average Return	4.75%	8.09%	3.36%	5.68%	0.95%
Total Volatility	3.13%	6.57%	5.57%	8.49%	15.83%
Loss Deviation	1.33%	5.46%	2.52%	4.21%	11.77%
Maximum DD	-7.06%	-19.67%	-9.18%	-9.70%	-52.55%
Best Month	3.34%	8.53%	5.60%	7.77%	9.67%
Worst Month	-1.66%	-6.55%	-3.10%	-6.39%	-16.94%
Positive Months	66.91%	71.64%	49.63%	56.62%	57.35%
Sharpe Ratio	1.36	1.16	0.51	0.61	0.03
Sortino Ratio	3.19	1.39	1.14	1.23	0.04
Correlation		-0.0517	0.0261	-0.0010	-0.0623

Program Facts

Components	G3 Currencies
Instruments Traded	Spot / Overnight
Investment Process	Technical Bias
Trading Style	Discretionary
Time Horizon	Short Term
Average Leverage	0.73
Prime Brokers	Deutsche Bank SE Banken
Account Type	Managed Account
Min. Account Size	\$1,000,000
Mgmt / Perf. Fee	1 / 20%
High Watermark	Yes
Strategy AUM	\$54,000,000
Advisory AUM	\$100,000,000

The program seeks risk-adjusted returns, 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 intraday, 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.

Contact Capricorn

Wehntalerstrasse 190
 Regensdorf/ZH T: +41 44 340 0080
 CH-8105 F: +41 44 355 3208
 Switzerland www.capricornfx.com

Month Return: **-0.45%**

YTD Return: **1.91%**

12 Month Rolling: **5.00%**

Since Inception:

196.31%

	JAN	FEB	MAR	APR	MAJ	JUN	JUL	AUG	SEP	OKT	NOV	DEC	YTD %	St Dev	Max DD	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	1.66	-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	9.34%	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%	-1.73%	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%	0.50
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%	0.50
2010	1.49	1.06	-0.65	0.46	-0.45								1.91%		-0.65%	0.50

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

Since Inception

196.31%

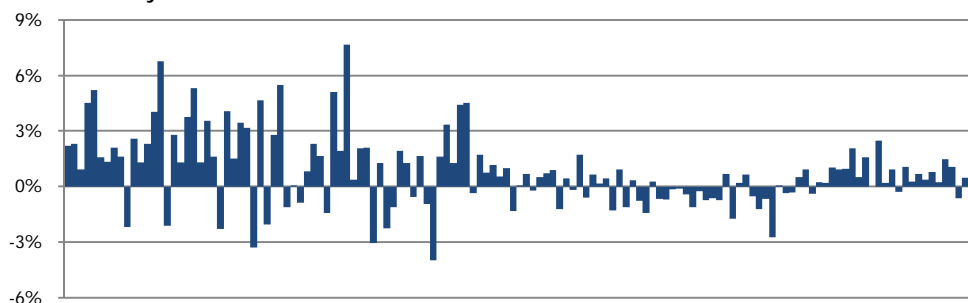
6.81%

-13.75%

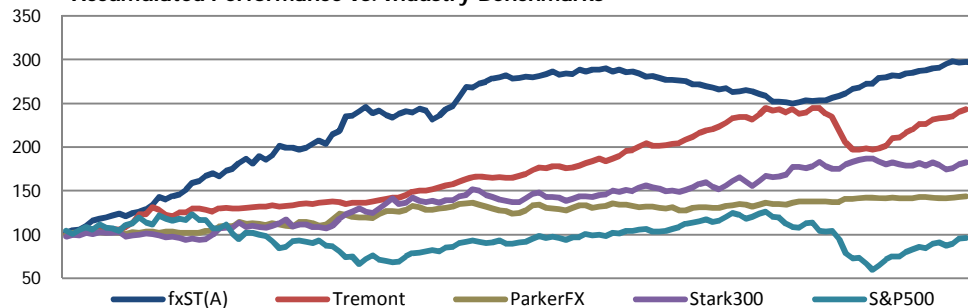
1.46

Return and Performance Analysis

Monthly Returns



Accumulated Performance vs. Industry Benchmarks



Annual Statistics	fxST(A)	Tremont	Parker FX	Stark 300	S&P 500
Average Return	9.78%	8.09%	3.36%	5.68%	0.95%
Total Volatility	6.81%	6.57%	5.57%	8.49%	15.83%
Loss Deviation	3.15%	5.46%	2.52%	4.21%	11.77%
Maximum DD	-13.75%	-19.67%	-9.18%	-9.70%	-52.55%
Best Month	7.67%	8.53%	5.60%	7.77%	9.67%
Worst Month	-3.99%	-6.55%	-3.10%	-6.39%	-16.94%
Positive Months	66.91%	71.64%	49.63%	56.62%	57.35%
Sharpe Ratio	1.36	1.16	0.51	0.61	0.03
Sortino Ratio	2.95	1.39	1.14	1.23	0.04
Correlation		-0.0569	0.0130	-0.0075	-0.0797

Program Facts

Components	G3 Currencies
Instruments Traded	Spot / Overnight
Investment Process	Technical Bias
Trading Style	Discretionary
Time Horizon	Short Term
Average Leverage	1.46
Prime Brokers	Deutsche Bank SE Banken
Account Type	Managed Account
Min. Account Size	\$1,000,000
Mgmt / Perf. Fee	2 / 20%
High Watermark	Yes
Strategy AUM	\$54,000,000
Advisory AUM	\$100,000,000

The program seeks risk-adjusted returns, 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 intraday, 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.

Contact Capricorn

Wehntalerstrasse 190
 Regensdorf/ZH T: +41 44 340 0080
 CH-8105 F: +41 44 355 3208
 Switzerland www.capricornfx.com