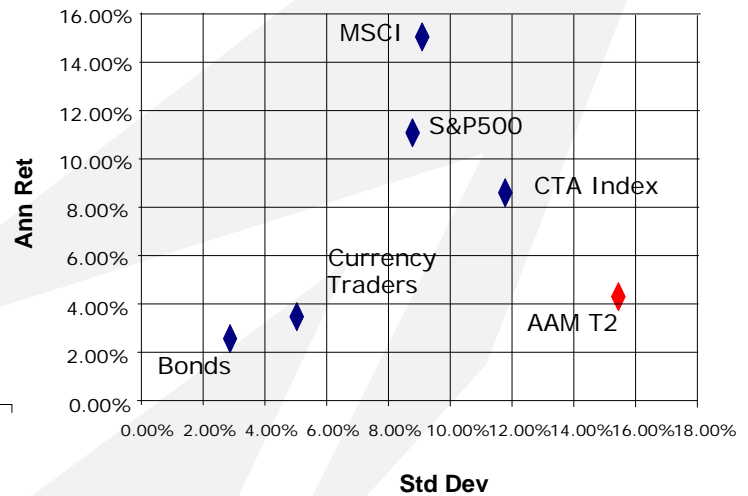
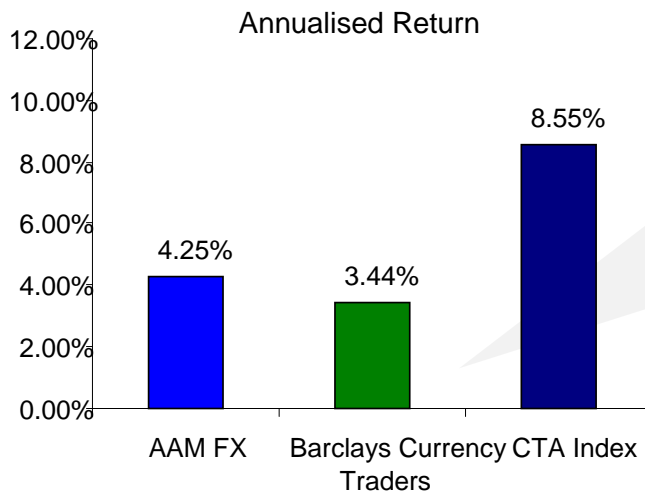


## The Absolute FX (Trading 2)

The fund trades in the foreign exchange market, the single largest market in the world with volume of some US\$1.9trillion per day. In addition to its size the FX market is open 24hrs thus ensuring more opportunities, less risk and a level playing field to all participants.

The fund uses a systematic short term trading system covering only FX markets; via pattern recognition and statistical analysis the program captures the cyclical nature of volatility evident in FX markets. The system trades both long and short positions and therefore does not have a "directional bias". Due to the short term nature of trading, the longer term trend and general economic conditions are largely irrelevant to overall performance. Risks are tightly controlled via a money management program.

### Performance (Dec'02 – June '07)



### Key Data

	AAM FX Trading 2	Barclays Currency Traders Index	CSFB/Tremont CTA Index
Av Ann Return	4.25%	3.44%	8.55%
MTD	0.48%	(0.13%)	5.13%
YTD	-10.50%	0.37%	4.21%
2006	-10.95%	-0.17%	8.05%
2005	1.97%	1.36%	1.13%
2004	16.66%	2.49%	6.62%
2003	21.21%	10.75%	14.65%
2002 -1 mth	9.96%	3.37%	5.05%
Ann. Std Deviation	15.45%	5.04%	11.78%
Ann. Down Dev.	7.89%	2.40%	5.50%
Sharpe Ratio	0.21	0.48	0.64
Sortino Ratio	0.41	1.02	
Correlation	1.00	-0.13	-0.09

### Fund Manager's Report

Currency markets saw an increase in volatility over the month as the yen continued to fall to record lows & the USD resumed its weakness against the other major currencies.

This increased daily volatility provided larger intra day movements which the fund was able to profit from over the month. SWF, Euro & BP were traded profitably over the month while the Yen was a drag on returns.

Overall the winning trade percentage was above 50% & in line with the long term trading model but well ahead of recent months reflecting the more favourable trading environment.

Note: \*Sortino Ratio – measure return/risk – higher no. the better

**Disclaimer:** The price of shares and the income from them can go down as well as up as a result of changes in the value of underlying securities and currency movements. An investor may not get back the amount originally invested. Past performance is not necessarily a guide to future returns. This document and the funds to which it refers is for the use of professional investors and financial intermediaries only. No reliance must be placed on this information by any other persons.

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