

Multi-Strategy Program

March 2008

Summary

Our Multi-Strategy Program consists of numerous trading strategies with low correlation to each other: our Global Currency Program (GCP), our opportunistic carry and trend models, and our options strategies. We will periodically adjust the allocation between these two strategies to achieve an optimum balance of risk and return.

Basic Facts:

- Major, minor, and emerging currencies
- Year of Inception: 2002
- Target Annualized Return: 15-18% (net)
- Targeted Volatility: 13-15%
- Multi-Strategy Program Assets: \$3.2 billion

Key Benefits:

- Diversification across GCP and non-GCP strategies
- Low correlation between strategies
- Dynamic risk allocation between strategies
- Integrated risk management
- Disciplined, transparent investment process

Performance ¹

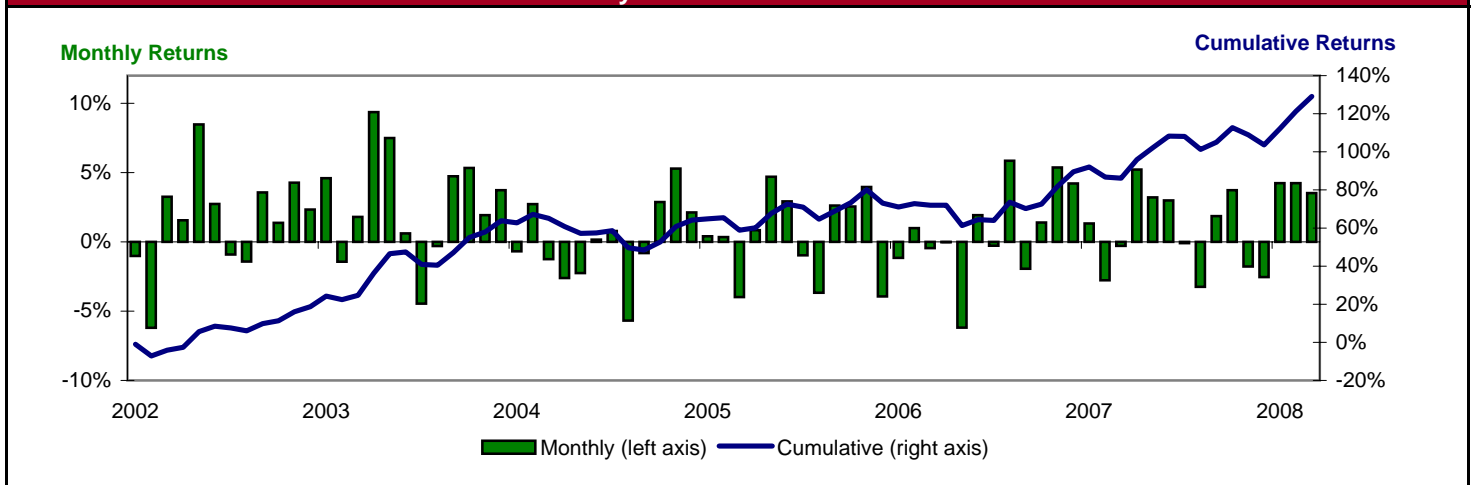
| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual |
|-------------|--------|--------|--------|--------|--------|-------|--------|--------|--------|-------|--------|--------|---------------|
| 2002 | -1.02% | -6.20% | 3.26% | 1.57% | 8.47% | 2.74% | -0.91% | -1.42% | 3.57% | 1.38% | 4.28% | 2.33% | 18.76% |
| 2003 | 4.60% | -1.43% | 1.80% | 9.37% | 7.50% | 0.61% | -4.45% | -0.30% | 4.74% | 5.33% | 1.92% | 3.73% | 37.97% |
| 2004 | -0.68% | 2.73% | -1.25% | -2.61% | -2.26% | 0.16% | 0.78% | -5.68% | -0.81% | 2.87% | 5.29% | 2.13% | 0.21% |
| 2005 | 0.40% | 0.34% | -3.98% | 0.84% | 4.70% | 2.92% | -0.97% | -3.68% | 2.62% | 2.56% | 3.96% | -3.93% | 5.40% |
| 2006 | -1.15% | 1.00% | -0.45% | -0.02% | -6.19% | 1.93% | -0.28% | 5.86% | -1.93% | 1.40% | 5.37% | 4.21% | 9.51% |
| 2007 | 1.33% | -2.77% | -0.29% | 5.22% | 3.21% | 3.00% | -0.09% | -3.25% | 1.86% | 3.73% | -1.78% | -2.54% | 7.43% |
| 2008 | -0.35% | 4.24% | 3.53% | | | | | | | | | | 7.54% |

¹Returns are net of fees. In March 2002, the DMC strategy was enhanced with two additional trading modules: Yield and Options. Past performance is not indicative of future returns.

Annualized Return²: 13.36%
 Annualized Std Deviation: 11.38%
 Sharpe Ratio: 0.93

²Based on monthly returns Jan. 2002 - present

Monthly and Cumulative Returns



Investment Strategy

The core of the Multi-Strategy Program (MSP) consists of our Global Currency Program (GCP), which utilizes a constrained mean variance optimization framework to build its portfolio. In addition, the MSP employs a set of largely "opportunistic" models that exploit specific characteristics of the currency market.

Global Currency Program

Our Global Currency Program (GCP) is a unique systematic strategy that generates returns using a large selection of over 30 currencies, including major, minor and emerging markets. GCP has a low correlation not only versus our developed markets currency programs, but also versus other asset classes and CTAs. The hallmarks of the GCP program are the use of dynamic allocation to focus on the best market opportunities and the ability to build diverse portfolios by incorporating a large number of currencies.

Smart Allocation and Diversification Techniques

GCP focuses on smart allocation techniques and diversification over a large number of positions – over 500 potential currency pairings are systematically analyzed daily. A key attribute of GCP is its ability to quickly transition between positions in major and emerging markets, different market regimes, (divergent versus convergent) and trading styles (directional, carry, relative value).

Unique Three-Stage Investment Process

GCP's three-stage investment process is designed to produce sustainable risk-adjusted returns. First, our proprietary models generate currency risk and return forecasts using multi-layered, statistical analyses of historical price data and short-term interest rates. In the next stage, our model cross-references each of these forecasts with one another and adjusts them to account for the inter-relationship and behavior of other currencies and interest rate differentials. In the final stage we construct a dynamic portfolio using a mean variance optimizer, which takes into account the risk/return currency forecasts, portfolio volatility, currency liquidity, and the market's risk appetite.

Non-GCP Models

In addition to the GCP model, the currency program also includes allocations to other models that target specific characteristics of the currency market. They are in the market selectively to exploit opportunities using, trend, carry, and options strategies.

Trend

We generate returns in this module by analyzing the direction and momentum of currency price movements. In simple terms, the strategy will buy currencies that are appreciating and sell currencies that are depreciating. For maximum diversification, we allocate to three distinct models or trading styles within this strategy.

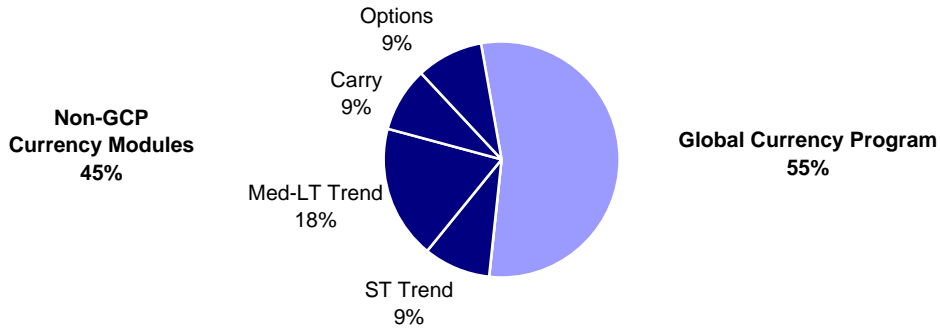
Yield

This module is based on the phenomenon that high-yielding currencies tend to appreciate against low-yielding currencies. The Yield strategy typically performs well when trend-based strategies are out of favor. We analyze global interest rate movements and determine positions based on prevailing market conditions.

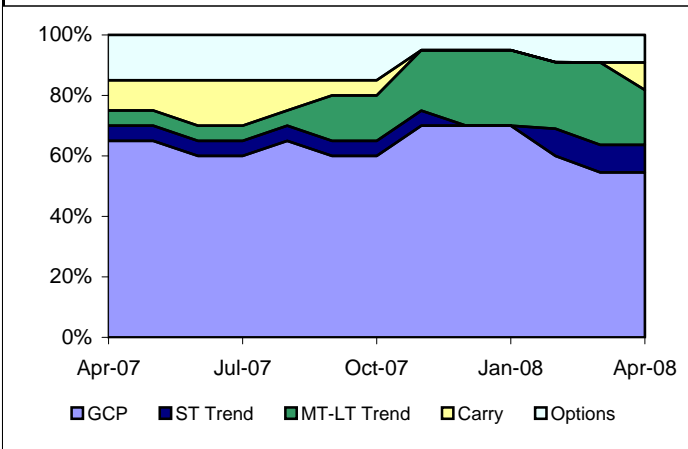
Options

This module controls risk by adding returns when other strategies suffer. The strategy consists of two models that take advantage of inefficiencies in the pricing of implied currency volatility. We designed the models so that they are uncorrelated with the trend and yield strategies and are primarily - although not exclusively - short volatility.

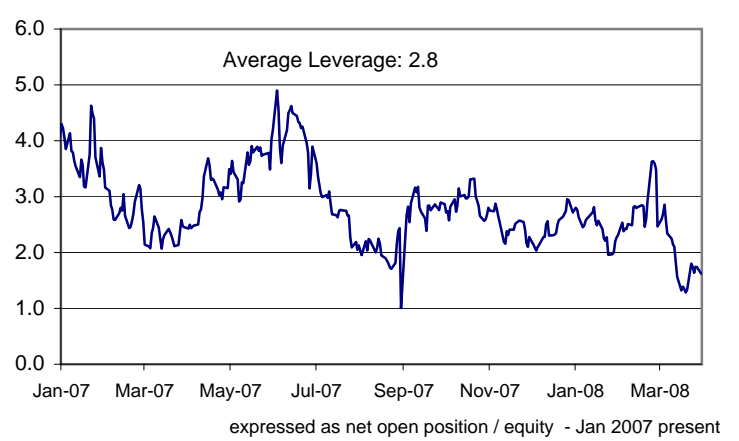
Current Allocation by Strategy



Monthly Allocation by Strategy



Leverage



Risk Management Principles

- Risk Budgeting**

We begin building our portfolios by establishing the level of risk we are willing to accept in the portfolio, i.e., the risk budget. The portfolio optimizer then builds the currency positions that will maximize the expected return for that targeted level of risk. Therefore, when markets become more "risk averse", as defined by our proprietary indicators, we will reduce our risk budget accordingly.

- Position scaling**

We scale all of our trading models to target a specific level of risk (standard deviation). The risk of the overall portfolio is generally much lower because of the low correlation between the trading models.

- Value at Risk**

To measure ex-ante risk and calculate potential portfolio loss, we use a proprietary VaR (value at risk) technique.

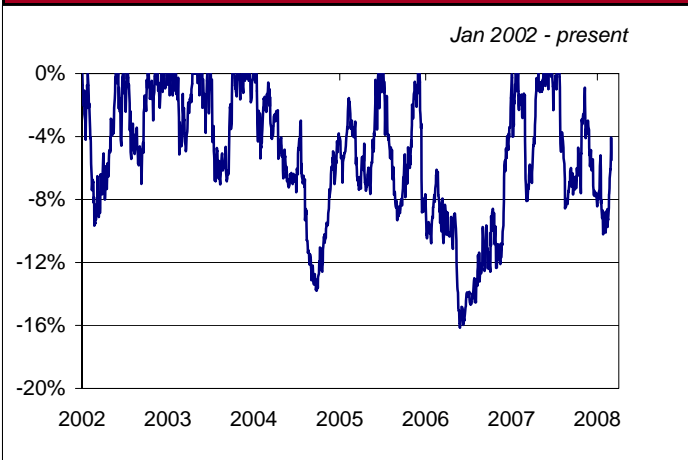
- Stress Testing**

We stress test all options portfolios daily to show the impact on P&L and all relevant "Greeks" (delta, gamma, theta) resulting from significant moves in the underlying spot market.

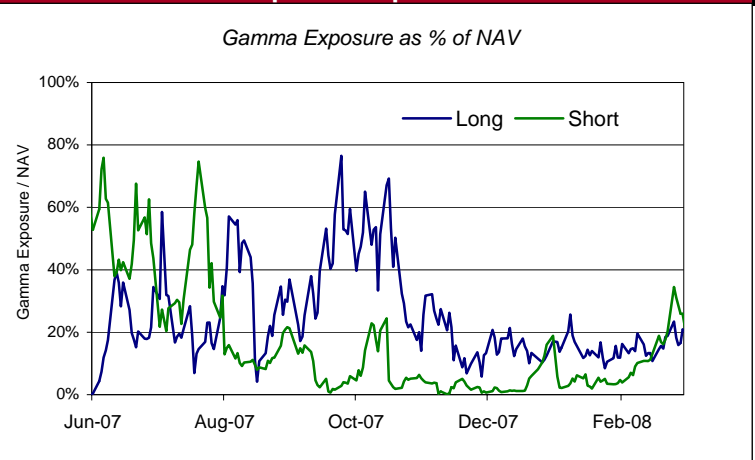
- Qualitative Input - Tactical & Strategic**

The CIO reviews portfolio and model positions daily and has the ability to scale back positions if he believes that market risk is unacceptably high. Portfolio managers have limited tactical discretion to deviate from model positions and are expected to improve performance via efficient execution.

Drawdown Chart



Options Exposure



Correlations to Other Investment Strategies

| | |
|---|------|
| <i>FX Concepts</i> Developed Markets Currency | 0.77 |
| <i>FX Concepts</i> Global Currency Program | 0.85 |
| <i>FX Concepts</i> Global Financial Markets | 0.91 |
| <i>FX Concepts</i> Diversified Currency Overlay | 0.79 |
| <i>FX Concepts</i> Volatility Fund | 0.44 |
| CSFB-Tremont Hedge Fund Index | 0.44 |
| CSFB-Tremont HFI Global Macro | 0.28 |
| CSFB-Tremont HFI Managed Futures | 0.46 |
| S&P 500 | 0.13 |
| EAFE | 0.18 |
| World Government Bond Index | 0.08 |

Correlations based on returns from March 2001 - February 2008

| Investment Vehicles | Minimum | Management Fee | Incentive Fee |
|---|--------------|----------------|------------------------|
| Off-Shore Fund (Bermuda Based): <i>Multi-Strategy Fund</i> | \$250,000 | 1.5% p.a. | 20% of new net profits |
| On-Shore Fund (Delaware Master Trust) <i>Multi-Strategy Fund</i> | \$250,000 | 1.5% p.a. | 20% of new net profits |
| Multi-Strategy Swap | \$25 million | 1.75% p.a. | 20% of new net profits |

About the Manager:

Headquartered in New York City, FX Concepts is one of the world's leading foreign currency managers. Since 1988, FX Concepts has managed currencies for institutional investors through both currency overlay and absolute return strategies.

FX Concepts was founded in 1981 by John R. Taylor Jr., Chairman and Chief Investment Officer, who has over 30 years of experience in the foreign exchange markets. The company began as an advisory firm specializing in quantitative currency forecasting and providing research to major corporate and bank treasuries actively managing currency risk.

We have a long track record of innovation in currency management. In a market where diversification is limited, we have controlled risk and enhanced returns by using diverse instruments and markets, such as emerging currencies and options. Our track record in currency management confirms our belief that technical and quantitative models combined with market intelligence and experience provide consistently superior risk-adjusted performance.

Senior Investment Team

| Name | Responsibilities | Yrs at FXC |
|---------------------|---|------------|
| John R. Taylor, Jr. | CEO and CIO | 26 |
| Philip Simotas | President - Head Prod. Development Comm., Port. Allocation, Model Development | 14 |
| Jonathan Clark | Head of Research & Advisory Services | 23 |
| Ryan O'Grady | Managing Director, Model Research & Development | 15 |
| Jeffrey Weiser | Portfolio Manager | 12 |
| Scott Ainsbury | Portfolio Manager | 9 |

Contacts:

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