

G000 Strategic Volatility Fund

Investment Objectives: A volatility arbitrage strategy designed to produce equity-type returns in the region of 10%-15% per year, with bond-type risk (volatility 6%-9%). The strategy is designed to have low beta and be uncorrelated with equity and volatility indices.

Methodology: The strategy is based on proprietary econometric models that produce forecasts of future volatility of exceptional accuracy. Sophisticated option pricing models are used to identify arbitrage opportunities and construct optimal long/short volatility portfolios.

Management: Successful money management professionals with 20+ years of trading experience oversee portfolio construction and maintenance using state of the art proprietary computer systems with a constant monitoring of risk models and performance optimization to maintain predetermined performance targets.

Testing: This page describes the actual performance of the Strategic Volatility Strategy from Oct 2002 to the end of June 2004, and pro-forma results thereafter.

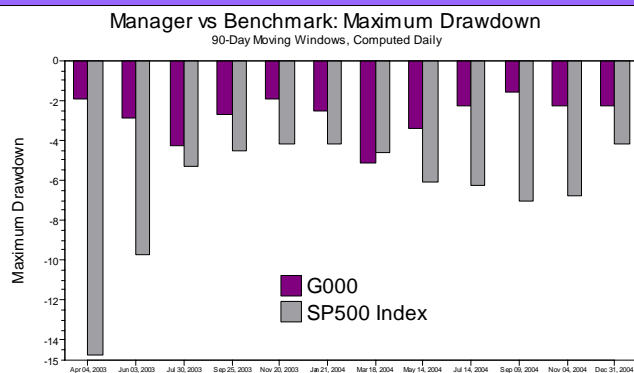
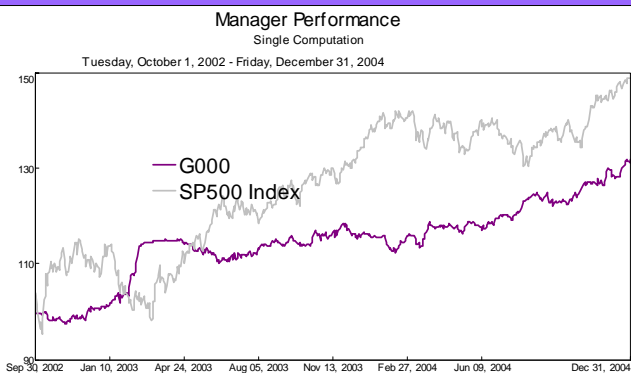
Summary Statistics

	Return	Volatility	Sharpe Ratio	Downside Risk	Best Period	Worst Period	Alpha	Beta	Corr	Info Ratio
Fund	12.90	6.92	1.76	4.33	1.84	-1.34	12.88	-0.02	-0.06	-0.34
Index	19.06	16.25	1.13	10.44	4.72	-3.53				

Net Returns

										<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>2002</u>
Fund										-1.15	-0.10	2.36	1.09
Index										8.64	5.71	-6.03	7.92
2003	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	2003
Fund	2.51	10.45	0.49	-0.71	-1.46	-0.62	0.34	2.18	-0.19	1.35	1.99	-1.83	14.88
Index	-2.74	-1.70	0.84	8.10	5.09	1.13	1.62	1.79	-1.19	5.50	0.71	5.08	26.38
2004	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	2004
Fund	-1.81	1.60	1.78	-0.38	0.89	0.68	1.16	2.11	0.00	2.51	2.84	1.39	13.21
Index	1.73	1.22	-1.64	-1.68	1.21	1.80	-3.43	0.23	0.94	1.40	3.86	3.25	8.99

Cumulative Net Return and Drawdown



Style and Allocation

