



Performance	
April	-3.04%
Year to Date	-2.91%
Since Inception	4.81%
Positive Months	17 out of 23

Source: AIS Fund Administration, DBiQ, gross of fees.

Key Figures	
Volatility	3.44%
Correlation to MSCI EM	15.09%
Correlation to EMBIGD	3.68%
Correlation to S&P500	13.32%

Volatility and correlation is calculated since inception on July 2008 (Annualized)

#### Performance Matrix

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	-0.88%	+0.38%	+0.43%	+0.20%	-3.04%							
2009	+0.28%	-0.87%	+0.41%	+0.37%	+1.44%	-0.64%	+0.33%	-0.10%	+0.47%	+0.21%	+0.88%	-0.97%
2008							+0.13%	+0.74%	+0.74%	+3.07%	+0.05%	+1.18%

Source: AIS Fund Administration from July 2008 to September 2009 based on the unleveraged contribution from our emerging markets FX strategy, DBiQ thereafter, gross of fees

#### Investment Objective

The investment objective is to create absolute return by utilizing a diversified selection of strategies in currency markets. Our area of expertise is emerging markets, and therefore most of the target return will be achieved within emerging market FX, however due to the importance of G10 FX in both our macro assessment of emerging markets as well as in terms of managing risk, the fund will use the full spectrum of currencies.

**Target Return:** 12% p.a.

**Target Volatility:** 6-7%

#### Fund Specification

**Name:** Global Evolution Macro

Emerging Markets FX

**Portfolio Manager:** Global Evolution

**Prime Broker:** Deutsche Bank

**Management Fee:** 1.00% p.a.

**Performance Fee:** 20%; High Water Mark

**Reporting:** Monthly

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#### Structure:

- The framework of the product is designed to provide full transparency of all positions and risk measures
- 100% independent administrator
- Daily NAV, reconciliation of trades, positions etc.
- The FXSelect platform allows investors to get access to the returns of the Global Evolution Macro Emerging Market FX Index through Principal Protected Notes, FX Index-linked Notes, Total Return Swaps, Deposits, Certificates, UCITS 3 Funds Shariah Compliant Wrapper etc.

#### Main Investment Guidelines

**Geographic Focus:** Global

**Leverage:** Expected 2 to 3 times

**Market Bias:** No target

**Style:** Active, Discretionary

**Risk Management tools:** FX Spot

FX Forwards

FX Options

Non-Deliverable Forwards (NDF)

Non-Deliverable Options (NDO)

#### Performance Review

In May the Global Evolution Macro Emerging Markets FX delivered a negative return of 3.04%. Most emerging market currencies weakened sharply on the back of a strong increase in risk aversion which was felt through most asset markets around the world. The fund had a predominant long bias and although risk was reduced gradually correlation once again was extremely high with all currencies going in the same direction.

#### Monthly Overview:

The sovereign debt woes in Greece and the weakness of the Euro have been consistently a driver of risk aversion in the markets. Surprisingly, the announced financing aid support from the EU of 750bn EUR did to some extent calm markets, however only for a very brief period of time. Soon after that weakness was felt across the board again with eastern European currencies bearing the brunt of the losses (HUF -10%, PLN -12%, CZK -8%). This time around even Asian currencies were unable to hold the pressure and weakened also strongly.

#### Market Outlook:

Fundamentals at this point matter to the extent that they will dictate the amount in which currencies will depreciate overall vs. the traditional safe haven currencies (USD, CHF & JPY). However, the underlying assumption that these currencies are risk-free might not be sustainable over time as the current deficit/debt force that the world faces is far from restricted to countries like Greece. Our expectation therefore is that volatility in FX will be significant over the next months and will offer plenty of tactical opportunities for all currencies in both directions. It is our aim to capture a proportion of this volatility through active trading.

For more details please refer to the fact sheet and RFP.

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