

Strategic Fixed Income



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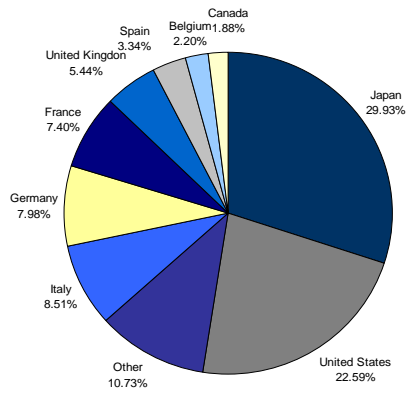
Why Invest in Global Fixed Income?

- Global fixed income strategies offer diversification over a single country fixed income portfolio
- Current market conditions are favorable for active investment strategies and offer opportunities for alpha generation through country, duration and foreign exchange positioning
- Corporate credit instruments, especially high yield, are highly correlated with equities. Global income indices have no correlation to equities and tend to perform well in a flight to quality
- The JP Morgan Global Ex-Japan Index has outperformed the MSCI World Equity Index and Barclays High Yield Index over the past 10 years with significantly lower volatility

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City World Government Bond Index Country Weightings



Source: Citibank as of September 30, 2009

US Dollar Index



Currency	Weighting
Euro	57.60%
Japanese Yen	13.60%
British Pound	11.90%
Canadian Dollar	9.10%
Swedish Krona	4.20%
Swiss Franc	3.60%

Source: Bloomberg

Challenges & Opportunities

- Fiscal deficits rising dramatically
- Unprecedented monetization by Central Banks
- Central Banks will eventually exit from these special measures
- Large output gaps will keep inflation low
- Correlation between markets will decline
- Doubts about the US dollar's reserve status
- Rebalance of global growth favors Asian currencies
- US yield curve shifts are negatively correlated with equities which provide overall plan diversification

Why Allocate to Strategic Fixed Income?

- Instead of seeking to outperform global bond indices through sector and country rotation, we focus on active duration, active country and foreign exchange positioning to generate alpha for our investors. By avoiding spread product, we are able to preserve the correlation characteristics of the strategy. Historically this has translated into strong returns in declining equity markets.
- We include liquid peripheral markets outside the benchmark, principally through foreign exchange positions. Strategic has a clear advantage over large funds in entering and exiting these markets, as we are able to transact with minimal market impact.
- Options strategies are used periodically to limit downside risk and provide gamma to upside price movements. Active management allows us to minimize time decay, lock in gains and maintain optimal exposure to a particular market.
- Our founder, Ken Windheim, began investing in global fixed income markets in 1981 and has traded through several market cycles with consistent results. He has assembled a stable investment team that is committed to generating top quartile returns and controlling risk.
- As a private company we only answer to our clients and we are strictly dedicated to maximizing investment returns. We aim to assist all of our investors in making informed decisions by providing them with regular access to our Portfolio Managers.

Corporate Overview

Description: Strategic Fixed Income, LLC (Strategic) is a U.S. based, SEC-registered investment adviser established in 1991 with a United Kingdom (Strategic UK) subsidiary established in 2007 and is authorized and regulated by the FSA.

Offices: US (Washington, D.C.) and U.K. (London).

Products: Strategic manages multi-currency fixed income portfolio, hedge funds and separate accounts.

Strategies: Global hedged and un-hedged, international un-hedged, short-term and medium-term, global macro, and hybrid strategies.

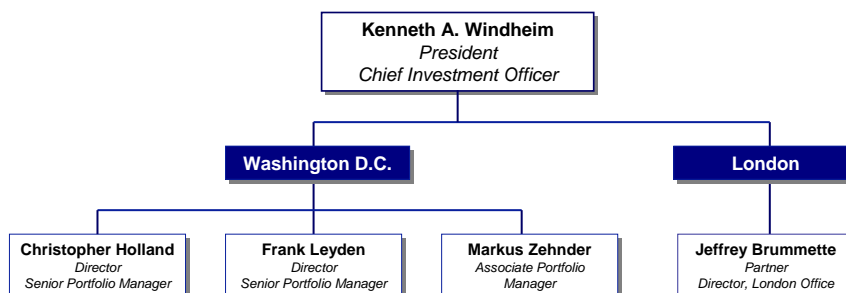
Registration: US - SEC, CFTC (member of the NFA), OSC
UK - FSA, CFTC (member of the NFA)

AUM*: Firm: \$1.54 Billion
Long only accounts: \$1.28 Billion

* Assets under management are preliminary as of 30 September 2009.



Investment Team



Investment Strategy

- Strategic Fixed Income LLC employs a top-down strategy that capitalizes on anticipated directional trends in global interest rates and foreign exchange rates
- The Manager analyzes economic data and macro trends to establish positions across G-10 markets
- The investment process and management of the Fund is discretionary although a host of quantitative tools are applied in fundamental analysis, portfolio construction, and risk management
- By avoiding illiquid and non-investment grade corporate credits, our investment programs have provided a low correlation with equities and relative value strategies

Strategic Global Bond Fund Performance

Annual Performance (%) Gross of Fees										
Year	1991	1992	1993	1994	1995	1996	1997	1998	1999	
Fund	20.50%	4.69%	15.52%	1.23%	21.45%	3.92%	1.30%	15.94%	-9.86%	
Index	16.74%	1.72%	11.47%	1.28%	19.32%	4.40%	1.40%	15.13%	-9.48%	
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Fund	6.05%	1.00%	21.86%	18.94%	12.87%	-3.09%	9.66%	16.58%	18.88%	5.34%
Index	6.03%	2.63%	21.43%	16.34%	11.85%	-4.02%	8.70%	11.32%	4.85%	5.15%

Performance Statistics		
	Fund	Index
Current Month	1.86%	1.50%
Rolling 3 Months	4.63%	4.76%
Year to Date	5.34%	5.15%
3-Years Annualized	14.68%	7.96%
5-Years Annualized	11.06%	6.73%
7-Years Annualized	11.80%	8.29%
10-Years Annualized	10.20%	7.87%
Compound ROR	9.73%	7.79%
Cumulative Return	435.95%	288.48%
Best Month	9.23%	7.05%
Worst Month	-5.17%	-6.22%
% Positive Months	60%	60%

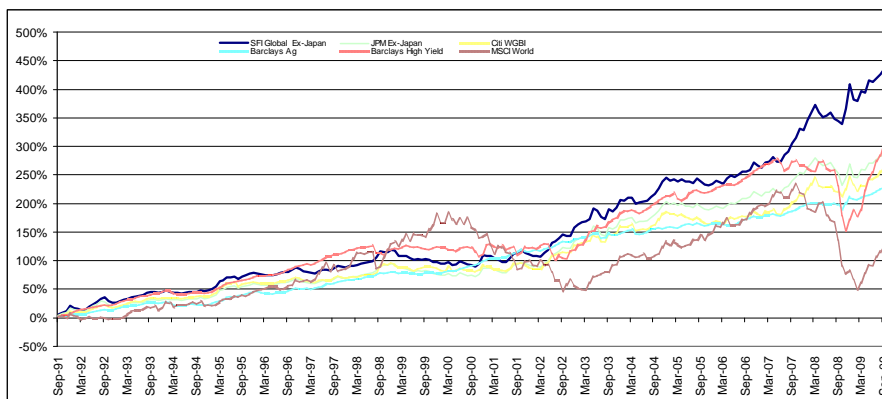
Notes: Inception Date of Fund is 9 August 1991.
Performance is final as of 30 September 2009.
Benchmark is JP Morgan Global Ex-Japan Bond Index, all maturities, in U.S. Dollar terms.

Strategic Global Bond Fund Correlations

	SFI Global Ex-Japan	JPM Ex-Japan	Citi WGBI	Barclays Ag	Barclays High Yield	MSCI World
SFI Global Ex-Japan	1.00	0.97	0.93	0.66	0.07	0.11
JPM Ex-Japan		1.00	0.93	0.67	0.15	0.18
Citi WGBI			1.00	0.61	0.10	0.18
Barclays Ag				1.00	0.24	0.11
Barclays High Yield					1.00	0.61
MSCI World						1.00

Note: Performance returns for the Strategic Global Ex-Japan Bond Fund are final as of 30 September 2009.

Strategic Global Bond Fund Cumulative Performance



Note: Performance returns for the Strategic Global Ex-Japan Bond Fund are final as of 30 September 2009.

Products & Clientele

Products: Strategic manages 15 global fixed income accounts and 4 global macro hedge funds.

Long Only:

- 1 Libor Plus
- 10 Global Government Bonds
- 2 Inflation Indexed Treasuries
- 1 International Bond 130/30
- 1 Intermediate Government Bond

Hedge Funds:

- The Capital Hedge Fund, Ltd.
- The Capital Trading Fund, Ltd.
- 2 Managed Accounts

Clientele: Strategic's clients include supranational organizations, sovereign central banks, government pension plans, fund of funds, multinational corporations, and HNW individuals.



Disclaimers

- Strategic Global Ex-Japan Bond Fund Disclosures**
 - The Composite results are presented gross of investment management fees. The returns will be reduced by the management fee and any other expenses incurred in the management of the account.
 - Past performance is not indicative of future performance. The value of investments can go down as well as up. Future returns are not guaranteed and a loss of principal may occur.
 - Additional information regarding the Investment Manager and its advisory fees are disclosed in Part I of Form ADV and Schedule F.
 - The net effect of the deduction of fees on annualized performance, including the compounding effect over time, is determined by the relative size of the fee and the account's investment performance. For example, an account with a 1% annualized management fee deducted quarterly and 10% annualized performance before fees will have a net performance after fees of about 8.9% per year; a reduction of about 1.1%. That same account with 20% annualized performance will have net performance after fees of about 16.8% per year; a reduction of 1.2% per year. Compounding will similarly affect the account's performance on a cumulative basis.
 - No part of the materials provided may be copied, photocopied or duplicated in any form, by any means, or distributed without the prior consent of the Investment Manager.
 - The performance includes the reinvestment of dividends and other earnings, and has involved the use of leverage and/or derivative instruments (in the form of futures, forwards, options, and/or swaps), which may increase the risk. Exposure to foreign currencies may increase volatility in response to foreign currency fluctuations.
 - Benchmark changed from Salomon Brothers World Government Bond Index to the JP Morgan Non-US Government Bond Index in September 1992. In February 1993, the benchmark changed from JP Non-US Government Bond Index to JP Morgan Global Government Bond Index. In January 1998, the benchmark changed from JP Morgan Global Government Bond Index Ex-Japan.
 - Strategic Fixed Income has prepared and presented this report in compliance with Global Investment Performance Standard (GIPS®).
- JP Morgan Global Government Bond Index Ex-Japan (JPM Global Ex-Japan Bond Index)**
 - The JPM Global Ex-Japan Bond Index is a total return, market capitalization weighted index, rebalanced monthly consisting of the following countries: Australia, Belgium, Canada, Denmark, France, Germany, Italy, Netherlands, Spain, Sweden, United Kingdom, United States. The currency is US Dollars.
- Barclays Aggregate Bond Index**
 - Barclays Aggregate Bond Index, formerly The Lehman Aggregate Bond Index, is an unmanaged index composed of the Barclays Gov/VCredit Index, Barclays Mortgage-Backed Securities Index, Barclays CMB Index and Barclays Asset-Backed Securities Index. The Barclays Asset-Backed Index is composed of debt securities backed by credit card, auto and home equity loans that are rated investment grade or higher by Moody's Investors Service, Standard and Poor's Corporation or Fitch Investor's Service, in that order. Issues must have at least one year to maturity and an outstanding par value of at least \$50 million. Price, coupon and total return are reported on a month-end-to-month-end basis. All returns are market value weighted inclusive of accrued interest but do not include adjustments for advisory fees or other expenses. The Barclays Aggregate Bond Index is generally considered to be representative of broad bond market activity.
- The Barclays U.S. Corporate High Yield Index**
 - The Barclays U.S. Corporate High Yield Index is an unmanaged index of below investment grade bonds issued by U.S. corporations. The index is comprised of issues that meet the following criteria: at least \$100 million par value outstanding, minimum credit rating of B+1 (including defaulted issues) and at least one year to maturity
- MSCI World Index**
 - The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. As of June 2007 the MSCI World Index consisted of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States.
- CI World Government Bond Index (WGBI)**
 - The WGBI is a market-capitalization-weighted benchmark that tracks the performance of the 21 government bond markets of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, United Kingdom and United States. The components of total return are price change, principal payments, coupon payments, accrued interest, and reinvestment income on nine month cash flows. In the case of multi-currency or non-base indices the total return also includes currency movements. The total returns are market-capitalization-weighted using the security's beginning of period market value.
- UK Disclosures**
 - The UK office is registered with the Financial Services Authority. Strategic Fixed Income, UK LLP ("Sub-Adviser") acts as Sub-Adviser to Strategic Fixed Income, L.L.C. ("Manager") pursuant to an Investment Sub-Advisory Agreement. Pursuant to that Agreement, the Manager delegates authority to the Sub-Adviser to assist the Manager by effecting transactions for the accounts of the Manager's advisory clients, including the Funds, under the Manager's general direction.
 - This presentation and the information which you are given at the time of presentation ("Presentation"), in whatever form, does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase or subscribe for, any investment in The Strategic Global Ex-Japan Bond Fund ("Fund"), nor shall it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. The Presentation does not purport to contain all information that a prospective investor may require and it may be subject to updating, revision and further amendments. Any subscription will be made solely on the basis of the information set forth in the Fund's Private Placement Memorandum, which may be delivered to you separately. This Presentation may contain certain forward-looking statements. These statements relate to future results, events or future performance and reflect management's expectations regarding the Fund's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. A number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, investors should specifically consider a number of various factors, which may cause actual results to differ materially from any forward-looking statements. These factors include, but are not limited to, market and general economic conditions, hedging, financing availability and other risks related to financial activities; and the risks and uncertainties detailed from time to time in the Fund's interim and annual financial statements. These forward-looking statements are made as of the date of this document, and the Fund assumes no obligation to update or revise them to reflect new events or circumstances.
 - **UK Selling Restrictions:** The Fund is an unregulated collective investment schemes for the purposes of the United Kingdom Financial Services and Markets Act 2000 ("Act"). In the United Kingdom, this Presentation is being made only to and is directed only at persons to whom it may be lawfully made under exemptions set forth in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and in the Financial Services and Markets Act (Promotion of Collective Investment Schemes) (Exemptions) Order, 2001 (as appropriate) including: (a) persons who have professional experience in matters relating to investments; (b) sophisticated investors; (c) certified high net worth individuals; (d) high net worth entities; (e) any other persons to whom it may otherwise lawfully be communicated; and, in each case, (f) who is a person that meets the definition of "qualified purchaser" in Section 2(a)(51) of the United States Investment Company Act of 1940 (all such persons together being referred to as "relevant persons") each of whom has confirmed she is eligible to be so categorized. This Presentation must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Presentation relates is available only to relevant persons and will be engaged in only with relevant persons. This communication is exempt from the general restrictions in sections 21 and 238 of the Financial Services and Markets Act 2000 (as appropriate) on the communication of invitations or inducements to engage in investment activity on the ground that it is made to eligible recipients. The information contained in this Presentation shall not be published, rewritten for broadcast or publication or redistributed in any medium without prior written permission from Strategic Fixed Income, UK LLP. Strategic Fixed Income, UK LLP is authorized and regulated by the Financial Services Authority.

