FAULKNER CAPITAL INC.

Trading the Foreign Exchange and Metals Markets

www.faulknercapitalinc.com
190 Garfield Place, 4D
Brooklyn, NY 11215
646.421.3003

SYSTEMATIC METALS AND CURRENCY TRADING PROGRAM (PROP)

Monthly Performance – July 2009

Note: The monthly returns are expressed in percentage terms. They are calculated after deducting interest expenses, commissions and a performance fee equal to 20 percent of Net Trading Profits.

2008	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
	1.9	2.3	5.0	1.0	3.6	-1.9	-5.4	10.4	4.6	11.4	0.3	36.9

2009	Jan	Feb	Mar	Apr	May	Jun	Jul	
	2.3	-0.3	-3.0	-9.0	1.3	-1.1	2.0	-7.9

Risk/Return Summary

Year-to-Date Return:	-7.94%
Average Monthly Return:	1.41%
% of Positive Months:	66.67%
Standard Deviation (Annualized):	16.93%
Sharpe Ratio (Annualized):[1]	1.00
R Square:[2]	0.21
Beta:[2]	1.05
Maximum Drawdown:	-11.8%

Trading Program Details

Nominal AUM:	$600,000
Minimum Investment:	$500,000
Inception Date:	Feb. 19, 2008
Management Fee:	0%
Incentive Fee (% of NTP[3]):	20%
Liquidity for Managed Futures Accounts:	1-day,prior written notice

Notes:

1. *The Sharpe Ratio is calculated using a risk-free rate of 0%.*
2. *These statistics are calculated against the Newedge CTA Index, a performance benchmark of major Commodity Trading Advisors.*
3. *NTP is Net Trading Profits (Please see the Disclosure Document for more information).*

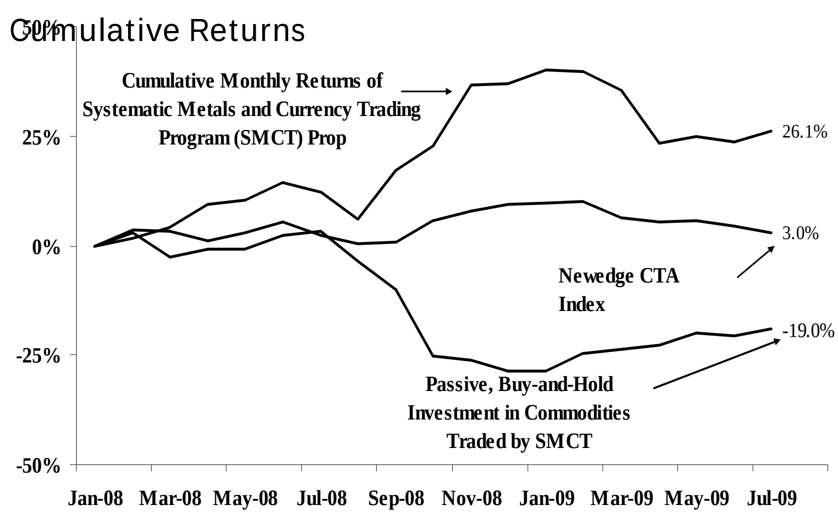
Strategy Description

The Systematic Metals and Currency Trading Program analyzes market statistics, not economic data releases, to detect and exploit short- or long-term mis-pricings in G10 currency, precious and base metals markets. There are multiple strategies within the program. Faulkner Capital Inc. believes in using substantively different trading strategies – some for the same market – to take advantage of different market conditions and to lower the volatility of trading returns.

Monthly Commentary

The trading program took advantage of the initial fall and subsequent rebound of metals prices and the exchange rate value of commodity-sensitive currencies against the dollar. On balance, the consensus still seems to be that the decline in economic activity is leveling off, and that riskier assets remain a good buy. We remain doubtful though, especially of any simple forecast based on the expectation that economic indicators revert to the mean.

Cumulative Returns



PAST PERFORMANCE IS NOT NECESARILLY INDICATIVE OF FUTURE RETURNS

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Background

Prior to forming Faulkner Capital Inc. in February 2008, Mr. Faulkner was a proprietary trader at Lehman Brothers. He traded G10 and emerging market currencies, and relied on systematic trading strategies he developed to make all investment decisions. He held this position from March 2005 to January 2008. Lehman Brothers hired Mr. Faulkner in June 2003 to be the G10 currency strategist based in London, a position he held until February 2005.

Mr. Faulkner began his career in July 1998 at the Federal Reserve Bank of New York. He worked there as a trader and research analyst in the Foreign Exchange and Investments division of the Markets Group until May 2002. In June 2002, the Central Bank of Chile in Santiago, Chile hired Mr. Faulkner as a consultant and portfolio manager in the International Investments division on a one-year, fixed-term contract, which ended May 2003.

Contacts

Accountant:	Futures Accounting and Compliance
Legal Counsel:	David R. Allen
Prime Brokers:	Rosenthal Collins
	MF Global
	Interactive Brokers
